DOCKET

No. 08-103
Title: Reed Elsevier, Inc., et al., Petitioners
v.
Irvin Muchnick, et al.
Docketed: July 24, 2008
Lower Ct: United States Court of Appeals for the Second Circuit
Case Nos.: (05-5943, 06-0223)
Decision Date: November 29, 2007
Rehearing Denied: April 15, 2008
Questions Presented

Date	Proceedings and Orders
Jun 4 2008	Application (07A967) to extend the time to file a petition for a writ of certiorari from July 14, 2008 to August 13, 2008, submitted to Justice Ginsburg.
Jun 9 2008	Application (07A967) granted by Justice Ginsburg extending the time to file until August 13, 2008.
Jul 22 2008	Petition for a writ of certiorari filed. (Response due August 25, 2008)
Aug 8 2008	Brief of respondents Letty Cottin Pogrebin, et al. in support filed.
Aug 19 2008	Waiver of right of respondents Irvin Muchnick, et al. to respond filed.
Sep 10 2008	DISTRIBUTED for Conference of September 29, 2008.
Sep 18 2008	Response Requested . (Due October 20, 2008)
Oct 16 2008	Response to petition from respondents Irvin Muchnick, et al. filed.
Oct 28 2008	Reply of petitioners Reed Elsevier, Inc., et al. filed. (Distributed)
Oct 29 2008	DISTRIBUTED for Conference of November 14, 2008.
Nov 20 2008	DISTRIBUTED for Conference of November 25, 2008.
Dec 1 2008	DISTRIBUTED for Conference of December 5, 2008.
Dec 8 2008	DISTRIBUTED for Conference of December 12, 2008.
Jan 5 2009	DISTRIBUTED for Conference of January 9, 2009.
Jan 12 2009	DISTRIBUTED for Conference of January 16, 2009.
Jan 21 2009	DISTRIBUTED for Conference of January 23, 2009.
Feb 17 2009	DISTRIBUTED for Conference of February 20, 2009.
Feb 23 2009	DISTRIBUTED for Conference of February 27, 2009.
Mar 2 2009	Petition GRANTED limited to the following Question: Does 17 U. S. C. Sec. 411(a) restrict the subject matter jurisdiction of the federal courts over copyright infringement actions?.
Mar 12 2009	The time within which to file the joint appendix and petitioners' brief on the merits is extended to and including May 18, 2009.
Apr 2 2009	Deborah Jones Merritt, Esq., of Columbus, Ohio, is invited to brief and argue this case, as amicus curiae, in support of the judgment below.
Apr 6 2009	The time for respondent Muchnick, et al. within which to file their brief on the merits in support of reversal is extended to and including June 1, 2009.
Apr 6 2009	The time within which to file brief of amicus curiae in support of the judgment below is extended to and including July 31, 2009.
Apr 6 2009	Any amicus curiae briefs in support of reversal are to be filed on or before June 8, 2009.

Apr 6 2009	Any amicus briefs in support of the judgment below are to be filed on or before August 7, 2009.
May 18 2009	Brief of respondents Letty Cottin Pogrebin, et al. in support filed.
May 18 2009	Joint appendix filed (statement of costs received).
May 18 2009	Brief of petitioners Reed Elsevier, Inc., et al. filed.
Jun 1 2009	Brief of Muchnick respondents filed.
Jun 2 2009	Letter dated June 2, 2009 received from counsel for Amicus Curiae in support of Judgment Below. (Distributed).
Jun 8 2009	Brief amicus curiae of United States in support of vacatur and remand filed.
Jun 8 2009	Brief amicus curiae of American Intellectual Property Law Association filed.
Jun 8 2009	Brief amici curiae of Media Publishers and Organizations filed.
Jul 10 2009	The time within which to file brief of amicus curiae in support of the judgment below is further extended to and including August 19, 2009.
Jul 10 2009	Any amicus briefs in support of the judgment below are now to be filed on or before August 26, 2009.
Jul 16 2009	SET FOR ARGUMENT ON Wednesday, October 7, 2009.
Jul 30 2009	CIRCULATED.
Aug 7 2009	Record received from U.S.C.A. for Second Circuit. (1 box)
Aug 11 2009	Motion of the Solicitor General for leave to participate in oral argument as amicus curiae and for divided argument filed.
Aug 19 2009	Brief of Court Appointed amicus curiae in support of the judgment below filed. (Distributed)
Aug 26 2009	Brief amici curiae of Computer & Communications Industry Association, and NetCoalition filed. (Distributed)
Sep 4 2009	Motion of the Solicitor General for leave to participate in oral argument as amicus curiae and for divided argument GRANTED. Justice Sotomayor took no part in the consideration or decision of this motion.
Sep 11 2009	Supplemental brief of respondents Irvin Muchnick, et al. filed. (Distributed)
Sep 18 2009	Reply of respondents Letty Cottin Pogrebin, et al. in support filed. (Distributed)
Sep 18 2009	Reply of petitioners Reed Elsevier, Inc., et al. filed. (Distributed)
Oct 7 2009	Argued. For petitioners: Charles S. Sims, New York, N.Y.; and Ginger Anders, Assistant to the Solicitor General, Department of Justice, Washington, D.C. (for United States, as amicus curiae.) For amicus curiae in support of the judgment below: Deborah Jones Merritt, Columbus, Ohio (Appointed by this Court.)

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PETITION FOR WRIT OF CERTIORARI

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Supreme Court, U.S.
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No. __-____ 08-103 JUL 22 2008

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William K. Suter, Clerk

IN THE

Supreme Court of the United States

REED ELSEVIER INC., THOMSON CORPORATION, DIALOG CORPORATION, GALE GROUP, INC., WEST PUBLISHING COMPANY, INC., DOW JONES & COMPANY, INC., DOW JONES REUTERS BUSINESS INTERACTIVE, LLC, KNIGHT RIDDER INC., KNIGHT RIDDER DIGITAL, MEDIASTREAM, INC., NEWSBANK, INC., PROQUEST COMPANY, UNION-TRIBUNE PUBLISHING COMPANY, NEW YORK TIMES COMPANY, COPLEY PRESS, INC. and EBSCO INDUSTRIES, INC.,

Petitioners,

v.

LETTIE COTTON POGREBIN, E.L. DOCTOROW, TOM DUNKEL, ANDREA DWORKIN, JAY FELDMAN, JAMES GLEICK, RONALD HAYMAN, ROBERT LACEY, RUTH LANEY, PAULA MCDONALD, P/K ASSOCIATES, INC., LETTY COTTIN POGREBIN, GERALD POSNER, MIRIAM RAFTERY, RONALD M. SCHWARTZ, MARY SHERMAN, DONALD SPOTO, MICHAEL CASTLEMAN INC., ROBERT E. TREUHAFT AND JESSICA L. TREUHAFT TRUST, ROBIN VAUGHAN, ROBLEY WILSON, MARIE WINN, NATIONAL WRITERS UNION, THE AUTHORS GUILD, INC. and AMERICAN SOCIETY OF JOURNALISTS AND AUTHORS,

Respondents,

IRVIN MUCHNICK, ABRAHAM ZALEZNIK, CHARLES SCHWARTZ, JACK SANDS, TODD PITOCK, JUDITH STACEY, JUDITH TROTSKY, CHRISTOPHER GOODRICH, KATHY GLICKEN and ANITA BARTHOLOMEW,

Respondents.

On Petition For Writ of Certiorari to the United States Court of Appeals for the Second Circuit

PETITION FOR A WRIT OF CERTIORARI

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QUESTIONS PRESENTED

1. Whether the usual power of lower courts to approve a comprehensive settlement releasing claims that would be outside the courts' subject matter jurisdiction to adjudicate, confirmed in *Matsushita Elec. Indus. Co. v. Epstein*, 516 U.S. 367 (1996), was eliminated in copyright infringement actions by 17 U.S.C. § 411(a).

2. Whether the Second Circuit erred by ignoring the assurance in *New York Times Co. v. Tasini*, 533 U.S. 483, 505 (2001), that the problem of compromised electronic news archives could be remedied by "[t]he Parties (Authors and Publishers [entering] into an agreement allowing continued electronic reproduction of the Authors' works . . . and remunerating authors for their distribution."

PARTIES TO THE PROCEEDING

There are no additional parties to the proceedings other than those listed in the caption.

The first group of respondents identified in the caption (E.L. Doctorow *et al.*) were plaintiffs in the district court and appellees, along with defendants, in the Second Circuit.

The second group of respondents identified in the caption (Irvin Muchnick *et al.*) were objectors in the district court and appellants in the Second Circuit.

CORPORATE DISCLOSURE STATEMENT

Pursuant to Sup. Ct. R. 14.1(b) and 29.6, and to enable justices of the court to evaluate possible disqualification or recusal, petitioners – Reed Elsevier Inc., Thompson Corporation, Dialog Corporation, Gale Group, Inc., West Publishing Company, Inc. D/B/A West Group, Dow Jones & Company, Inc., Dow Jones Reuters Business Interactive, llc, D/B/A Factiva, EBSCO Industries, Inc., Knight-Ridder Inc., Knight Ridder Digital, Copley Press, Inc., Mediastream, Inc., The New York Times Company, NewsBank, Inc., ProQuest Company, and ProQuest Information and Learning Company – certify that the following are all of the corporate parents and other publicly held companies owning 10% or more of any petitioner's stock:

Reed Elsevier plc
Thompson Corporation
Thomson Reuters Corporation

Thomson Reuters PLC
Dow Jones & Company, Inc.
News Corporation
Reuters Group plc
The McClatchy Company
ProQuest Company.

TABLE OF CONTENTS

QUESTIONS PRESENTED i

PARTIES TO THE PROCEEDING ii

CORPORATE DISCLOSURE STATEMENT ii

TABLE OF CITED AUTHORITIES vi

PETITION FOR A WRIT OF CERTIORARI 1

OPINIONS BELOW 1

STATEMENT OF JURISDICTION 1

STATUTORY PROVISION INVOLVED 1

STATEMENT OF THE CASE 2

REASONS FOR GRANTING THE PETITION 11

I. THE DECISION THAT THE DISTRICT COURT LACKED JURISDICTION TO APPROVE A SETTLEMENT RELEASING CLAIMS IT COULD NOT ADJUDICATE CONFLICTS WITH DECISIONS OF THIS AND OTHER COURTS 13

A. The Decision Conflicts with Established Law Regarding the Settlement and Release of Claims 13

B. The Decision Misapprehends the Text and Purpose of Section 411(a) of the Copyright Act 19

C. The Decision Cannot Be Reconciled With This Court's Precedent Governing the Phrase "Except as Expressly Provided" 25

II. THE DECISION CANNOT BE RECONCILED WITH THIS COURT'S EXPECTATION IN

TASINI THAT AUTHORS AND PUBLISHERS MAY ENTER INTO ENFORCEABLE AGREEMENTS ALLOWING CONTINUED ELECTRONIC REPRODUCTION OF AUTHORS' WORKS 26

CONCLUSION 31

APPENDIX 1a

A. Opinion of the Second Circuit 1a

B. Letter of the Second Circuit Requesting Briefing on Subject Matter Jurisdiction 46a

C. Hearing Transcript of the Southern District of New York 48a

D. Order of the Southern District of New York 53a

E. Order of the Second Circuit Denying Petition for Rehearing, or in the Alternative, Rehearing *En Banc* 59a

F. Letter from the Supreme Court of the United States Extending the Time to File a Petition for a Writ of Certiorari to August 13, 2008 62a

TABLE OF CITED AUTHORITIES

Cases

Arbaugh v. Y & H Corp.,
546 U.S. 500 (2006).....18

Breuer v. Jim's Concrete of Brevard, Inc.,
538 U.S. 691 (2003).....25, 26

Class Plaintiffs v. City of Seattle,
955 F.2d 1268 (9th Cir. 1992).....14, 30

Exxon Mobil Corp. v. Allapattah Servs.,
545 U.S. 546 (2005).....22

Grimes v. Vitalink Commc'ns Corp.,
17 F.3d 1553 (3d Cir. 1994).....14

Grupo Dataflux v. Atlas Global Group, L.P.,
541 U.S. 567 (2004).....21

Herman & MacLean v. Huddleston,
459 U.S. 375 (1983).....21

In re Corrugated Container Antitrust Litig.,
643 F.2d 195 (5th Cir. 1981).....14

In re Prudential Ins. Co. of Am. Sales Practice Litig.,
261 F.3d 355 (3d Cir. 2001).....14

In re United States Oil & Gas Litig.,
967 F.2d 489 (11th Cir. 1992).....29

Lexecon Inc. v. Milberg Weiss Bershad Hynes & Lerach,
523 U.S. 26 (1998).....14

Local No. 93, Int'l Assoc. of Firefighters v. City of Cleveland,
478 U.S. 501 (1986).....16, 17

Local Union No. 38, Sheet Metal Workers' Int'l Ass'n, AFL-CIO v. Pelella,
350 F.3d 73 (2d Cir. 2003).....21

Matsushita Elec. Indus. Co. v. Epstein,
516 U.S. 367 (1996).....passim

McDermott, Inc. v. AmClyde,
511 U.S. 202 (1994).....28

New York Times Co. v. Star Co.,
195 F. 110 (2d Cir. 1912).....21

New York Times Co. v. Tasini,
533 U.S. 483 (2001).....12, 26

Nottingham Partners v. Trans-Lux Corp.,
925 F.2d 29 (1st Cir. 1991).....14

Olan Mills, Inc. v. Linn Photo Co.,
23 F.3d 1345 (8th Cir. 1994).....24

Pac. and S. Co. v. Duncan,
744 F.2d 1490 (11th Cir. 1984).....24

Perfect 10, Inc. v. Amazon.com, Inc.,
508 F.3d 1146 (9th Cir. 2007).....24

Steiner v. Am. Broad. Co.,
No. CV 00-05798 (C.D. Cal. Apr. 20, 2005), *aff'd on other grounds*, No. 05-55773, 2007 U.S. App. LEXIS 21061 (9th Cir. Aug. 29, 2007).....19

TBK Partners Ltd. v. Western Union Corp.,
675 F.2d 456 (2d Cir. 1982) 15

Wal-Mart Stores, Inc. v. Visa U.S.A., Inc.,
396 F.3d 96 (2d Cir. 2005) 14

Washingtonian Publ'g Co. v. Pearson,
306 U.S. 30 (1939) 24

Williams v. GE Capital Auto Lease,
159 F.3d 266 (7th Cir. 1998) 16

Statutes

28 U.S.C. § 1367 25

28 U.S.C. § 1367(a) 10

Other Authorities

2 Nimmer on Copyright ¶ 7.16[C][3] 23

H. Rep. No. 94-1476 (1976), reprinted in 1976
U.S.C.C.A.N. 5659 23

Judith Resnik, Procedure as Contract, 80 Notre
Dame L. Rev. 598 (2005) 15

Supplementary Report of the Register of Copyrights
on the General Revision of the U. S. Copyright
Law: 1965 Revision Bill, 89th Cong., 1st Sess. 23

PETITION FOR A WRIT OF CERTIORARI

Petitioners respectfully petition for a writ of certiorari to review the judgment of the United States Court of Appeals for the Second Circuit.

OPINIONS BELOW

The opinion of the United States Court of Appeals for the Second Circuit is reported at 509 F.3d 116 (2d Cir. 2007). Pet. App. 1a. The final judgment of the United States District Court for the Southern District of New York is unpublished and reproduced at Pet. App. 53a. The unpublished decision of the district court is transcribed and reproduced at Pet. App. 48a-58a.

STATEMENT OF JURISDICTION

The court of appeals judgment was entered on November 29, 2007. Pet. App. 1a. A timely petition for rehearing and rehearing en banc was denied on April 15, 2008. Pet. App. 59a. The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1). On June 9, 2008, Justice Ginsburg extended the time to file a petition for writ of certiorari to and including August 13, 2008. Pet. App. 62a.

STATUTORY PROVISION INVOLVED

17 U.S.C. § 411(a) provides, in pertinent part:

> [N]o action for infringement of the copyright in any United States work shall

> be instituted until . . . registration of the copyright claim has been made in accordance with this title.

STATEMENT OF THE CASE

This case presents an issue of exceptional importance to the nation's archival databases, newspaper and magazine publishers, and freelance authors: whether, in connection with the nationwide class action spawned by *New York Times Co. v. Tasini*, 533 U.S. 483 (2001), the parties may globally settle their differences by compensating and releasing the claims of all freelance authors with respect to all their contributions to the databases, whether registered or unregistered. This Court's *Tasini* decision appears to expressly contemplate that the parties could structure such a global settlement, and the parties spent over four years of intensive negotiations in order to achieve just such an industry-wide settlement which was approved by the district court under Rule 23.

The Second Circuit, however, vacated the order approving the settlement, holding that courts lack subject matter jurisdiction to approve any settlement that includes a release of copyright infringement claims for unregistered works. The court's sole rationale, erroneous as a matter of law, was that the register-before-instituting-suit provision of the Copyright Act, 17 U.S.C. § 411(a) forecloses courts from approving settlements covering unregistered works

The Second Circuit ignored decades of decisions by this Court, federal appellate courts, and state courts, which had uniformly held that in the

interests of settling disputes courts may release claims that they lacked jurisdiction to adjudicate, and that the approval of a settlement agreement providing for the release of claims is not a jurisdictionally barred adjudication of such claims, but merely the approval of a private settlement between the parties (which in this case complies with Rule 23 and the Due Process clause and is in the public interest).

1. This petition stems from an appeal to the Second Circuit by a handful of objectors to the settlement of a consolidated copyright class action brought in the wake of *New York Times Co. v. Tasini*, 206 F.3d 161 (2d Cir. 1999), *aff'd*, 533 U.S. 483 (2001). Plaintiffs in the underlying action are freelance authors whose periodical freelance articles were included in electronic databases under license from newspaper and magazine publishers.

Each of the pleaded claims of the named plaintiffs complied with the register-before-instituting-suit requirement of 17 U.S.C. § 411(a). In order to assure the complete peace which the defendants and publishers required as a condition to settlement, and which is a usual feature of class action settlements, the settlement here provided compensation to class members in exchange for release of all their claims, for both registered and unregistered freelance articles. The district court considered and approved the settlement in compliance with Fed. R. Civ. P. 23(e) and certified a settlement class in compliance with Rule 23(a) and (b).

Nonetheless, turning four years of intense mediation and bargaining into so much wasted effort, and

thwarting the hard work of the nation's freelance author community, databases, and newspaper and magazine publishers, the Second Circuit reversed the district court, on a ground not raised by any party or objector. It held that § 411(a) strips the courts of jurisdiction to approve a class action settlement that compensates and releases claims for unregistered works over which the court would not at present have jurisdiction to adjudicate. The Second Circuit's decision is in conflict with this Court's decision in *Matsushita Elec. Indus. Co. v. Epstein*, 516 U.S. 367 (1996), and dashes the expectations expressed by the Court in *Tasini*.

2. *Tasini*, brought individually by six freelance authors, held that the statutory provision on which the database, newspaper, and magazine industries had relied, 17 U.S.C. § 201(c), did not establish their right to reproduce and distribute the contents of the nation's newspapers and magazines in electronic archives such as LexisNexis. After *Tasini*, defeating infringement liability and the establishing the right to retain freelance articles in the databases would depend on a showing, for each freelance article, that the author had conveyed the necessary rights in writing or, for nonexclusive licenses, orally or by conduct.

Following the Second Circuit's decision in *Tasini*, more than a score of other freelance authors, supported by national authors' rights trade organizations, filed four class action lawsuits against online databases and certain publishers.[1] The lawsuits

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[1] *Posner v. Gale Group*, 00-civ-7376 (S.D.N.Y.); *Laney v. Dow Jones & Co.*, 00-769 (D. Del.); *Authors Guild v. The Dialog*

were all properly commenced and subject to the district court's undoubted subject matter jurisdiction, as each of the named plaintiffs had prior to instituting suit registered the allegedly infringed freelance articles with the United States Copyright Office, as required by 17 U.S.C. 411(a), which requires registration of a work before an "action for infringement of the copyright" is "instituted." Supported by The Authors Guild, the National Writers' Union, and the American Society of Journalists and Authors, the lawsuits were consolidated for pretrial purposes in the Southern District of New York. Jurisdiction rested on 28 U.S.C. § 1338 (acts of Congress related to copyright) and 28 U.S.C. § 1331 (federal question).

Plaintiffs' claims (and those of the putative class) involved a complex set of potential liabilities resulting from the databases' distribution of freelance articles provided by the publishers, and the publishers' representations of adequate rights and promises of indemnity. The consolidated action was suspended pending decision in *Tasini*. In 2001, this Court held that 17 U.S.C. § 201(c) did not itself provide a defense to infringement claims of freelance authors with respect to their periodical freelance articles included in databases under license from newspaper and magazine publishers, 533 U.S. 483 (2001), leaving each of the defendants free to defend each claim on individualized grounds (*e.g.*, oral or written licenses, statute of limitations, waiver, or estoppel).

Corporation, 00-civ-6049 (S.D.N.Y.); and *Authors Guild v. New York Times*, 01-civ-6032 (S.D.N.Y.).

The class action was reactivated after this Court's decision in *Tasini*. United States District Judge George B. Daniels suggested mediation. The parties agreed, and the court approved Kenneth Feinberg to act as mediator. (A highly respected and effective mediator, Mr. Feinberg was appointed by then-Attorney General Ashcroft as Special Master of the September 11 Victim's Compensation Fund.)

Four years of intensive, complex and costly mediation ensued. The mediation included discussions and negotiations between the parties as well as other publishers not named as defendants but who had delivered their contents to the databases with representations of adequate rights and promises of indemnity, and therefore held interests indispensable to both global resolution of the asserted claims and restoration of the integrity of the electronic archives on which scholars and the public had come to rely. The mediation was further complicated because it effectively entailed separate yet interdependent sets of negotiations between freelance author groups, print publishers (and their insurers), and the electronic databases (and their insurers) in order to agree on terms and raise the funds necessary to compensate freelance authors and restore the rich electronic archival records. *Tasini* had recognized that archives had been seriously harmed by redactions made under the specter of continuing liability, and had expressly suggested that the problem could be addressed by "[t]he parties (Authors and Publishers) [entering] into an agreement allowing continued electronic reproduction of the Authors' works." *Tasini*, 533 U.S. at 505.

In March 2005, after a herculean effort, the authors, database proprietors, and nearly 40 publishers who consented to fund more than half of the agreed-to settlement amount reached a comprehensive settlement agreement. Freelance authors would gain the right to submit claims for all freelance articles in the databases for which they had not licensed electronic rights in writing, regardless of whether (a) copyright in the article had already been registered in the Copyright Office, (b) claims on those articles had been previously asserted in the action, (c) there were oral licenses or other available defenses, or (d) the article had ever been accessed. Every freelance article in the databases was eligible for compensation, pursuant to an agreed-on schedule. Authors were also entitled to deny future use of their articles. In exchange, all past, present, and future claims of freelance authors for articles presently in the databases would be released. Those releases would effectively permit the restoration of articles taken down, and would also permit publishers and the databases to retain in the electronic archives freelance articles that had not yet been taken down (save for the few as to which future use was expressly denied).

During the claims period, which ended September 30, 2005, thousands of freelance authors submitted detailed claim forms, electronically or on paper, seeking compensation with respect to hundreds of thousands of newspaper and magazine articles, which has not been (and unless this Court grants review and reverses will not be) paid.

4. Objections were filed on behalf of ten authors. Although the objectors raised more than thirty

discrete objections in opposition to the motion for approval, they did not challenge the court's jurisdiction to approve a settlement compensating unregistered works. After carefully considering the objectors' many contentions and holding a day-long argument, the district court overruled the objections, certified a class of freelance authors under Rule 23(a) and (b), approved the settlement as fair, reasonable, and adequate under Rule 23(e), and entered final judgment. Pet. App. 48a-58a.

5. The objectors appealed, complaining of the insufficient payments for unregistered works and the release of future claims, but again not arguing that the district court lacked jurisdiction to certify the class or approve the settlement. Shortly before oral argument, the Second Circuit panel *sua sponte* requested briefing on "whether the district court had subject matter jurisdiction over claims concerning the infringement of unregistered copyrights." Pet. App. 46a-47a.

After receiving the parties' submissions and hearing oral argument, Judge Chester J. Straub (for himself and Judge Ralph K. Winter) filed a majority opinion on November 29, 2007, vacating the district court's certification of the class and approval of the settlement on the ground that the court lacked jurisdiction "to certify a class consisting of claims arising from the infringement of unregistered copyrights and to approve a settlement with respect to those claims." Pet. App. 5a. The Second Circuit held that the register-before-instituting-suit provision of copyright law eliminates the otherwise plain judicial power to approve the settlement of a class action

compensating and releasing claims that the court did not then have jurisdiction to adjudicate.

Greatly misreading previously established circuit precedent that 17 U.S.C. § 411(a) is "a jurisdictional prerequisite to the right of the holder to enforce the copyright in federal court" (Pet. App. 19a), the majority applied that requirement to the claims of not only the named plaintiffs but also every author potentially benefiting by the settlement, and further held that supplemental jurisdiction under 28 U.S.C. § 1367 was therefore unavailable. Pet. App. 20a-27a.

Petitioners (and plaintiffs-appellees as well) had argued that § 411(a) – which applies only to "*institut[ing]*" an infringement action – was fully complied with because plaintiffs had registered each of their allegedly infringed works in suit prior to filing the lawsuit, as the Complaint alleged. They contended that the district court therefore possessed its usual power, in a case properly within its subject matter jurisdiction under 28 U.S.C. § 1338 and in full compliance with 17 U.S.C. § 411(a), to approve a settlement agreement that released claims that the court lacked subject matter jurisdiction to adjudicate, just as courts in proper cases have granted injunctions protecting all of the plaintiff's copyrighted works, and not just registered works.

The majority rejected those arguments, holding that section 411(a) "requires that each class member's claim arise from a registered copyright" in order for the district court to approve a settlement agreement providing any relief to the class. Pet. App. 24a. The majority then held that 28 U.S.C. § 1367 "did not provide the District Court with

jurisdiction over the claims arising from the alleged infringement of unregistered copyrights" because § 411(a) is a "federal statute" that precludes supplemental jurisdiction under the "except as expressly provided otherwise by Federal statute" clause of § 1367(a).[2] Pet. App. 25a-27a.

Judge John M. Walker, Jr. dissented on the ground that "the fact that some of the otherwise presumably valid copyrights have not been registered is an insufficient basis for undoing this class-action settlement." Pet. App. 28a. Judge Walker noted that the Second Circuit had "recent[ly held] that not all members of a settlement-only class need to possess a valid cause of action under the applicable law," *id., citing Denney v. Deutsche Bank A.G.*, 443 F.3d 253 (2d Cir. 2006), and would have held that § 411(a)'s "registration requirement is more akin to a claim-processing rule than a jurisdictional prerequisite," under *Bowles v. Russell,* 127 S. Ct. 2360 (2007), *Eberhart v. United States*, 546 U.S. 12 (2005), and *Kontrick v. Ryan*, 540 U.S. 443 (2004). Pet. App. 28a-29a. He concluded that the cases relied upon by the majority to support its ruling that

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[2] 28 U.S.C. § 1367(a) provides:

(a) Except as . . . expressly provided otherwise by Federal statute, in any civil action of which the district courts have original jurisdiction, the district courts shall have supplemental jurisdiction over all other claims that are so related to claims in the action within such original jurisdiction that they form part of the same case or controversy under Article III of the United States Constitution. Such supplemental jurisdiction shall include claims that involve the joinder or intervention of additional parties.

the District Court lacked jurisdiction, *Weinberger v. Salfi*, 422 U.S. 749 (1975), *Well-Made Toy Mfg. Corp. v. Goffa Int'l Corp.*, 354 F.3d 112 (2d Cir. 2003), and *Morris v. Business Concepts, Inc.*, 259 F.3d 65 (2d Cir. 2001), were in any event distinguishable, since those cases entailed the power to adjudicate claims, where this one concerns the power to settle a case already within a court's jurisdiction. Pet. App. 42a-45a.

Plaintiffs, defendants and objectors all petitioned for rehearing and rehearing in banc. They argued that the case was properly instituted in compliance with § 411(a), and therefore the district court had the power to approve a Rule 23 settlement providing compensation for named plaintiffs and class members, and the release of claims beyond those that the court could have adjudicated. *See Matsushita*, 516 U.S. 367. By summary orders dated March 24 and April 15, 2008, the Second Circuit denied the petitions. Pet. App. 59a-61a.

REASONS FOR GRANTING THE PETITION

Recognizing that the settlement of complex cases is in the public interest and that broad releases are often necessary to achieve such settlements, this Court held in *Matsushita Elec. Indus. Co. v. Epstein*, 516 U.S. 367 (1996), that the power to settle cases necessarily entails the power to approve releases of claims beyond the approving court's jurisdiction to adjudicate, so long as due process is satisfied. The courts of appeals and state courts have repeatedly agreed. In conflict with those rulings, the Second Circuit's decision here holds that the district court

could not approve a settlement that released claims then beyond the court's subject matter jurisdiction to adjudicate. That conflict provides a powerful reason for this Court to grant review.

In addition to that conflict are two other factors compelling this Court's review: the tension between the decision below and this Court's expectation in *Tasini* that "[t]he parties (Authors and Publishers) may *enter into an agreement allowing continued electronic reproduction of the Authors' works*," 533 U.S. at 505, and the public benefit afforded by the settlement (and the corresponding harm caused by the decision that the settlement is beyond the district court's jurisdiction to approve).

To restore the integrity of the national archival electronic record of the nation's magazines and newspapers, class-wide releases are indispensable. The publishers and databases were willing to pay handsomely to each freelance author claiming compensation. But the Second Circuit's decision makes any settlement restoring those archives unachievable. Because all the relevant players in the newspaper and magazine publishing industry were involved and subject to that ruling, this is not a dispute that can further percolate before this Court need intervene. Leaving the Second Circuit's decision intact would leave the electronic availability of complete newspaper and magazine contents through the late 1990s substantially incomplete at least through the expiration of copyright term for those articles many decades from now.

This Court and other courts have repeatedly held that courts have the power in approving settlement

agreements to release claims that they lack jurisdiction to adjudicate. The Second Circuit's decision that such power does not exist in copyright cases because of § 411(a) – even though plaintiffs meticulously complied with that provision when the case was instituted five years before the settlement agreement was reached and presented to the district court – conflicts with those decisions and presents an important issue warranting this Court's review.

I. THE DECISION THAT THE DISTRICT COURT LACKED JURISDICTION TO APPROVE A SETTLEMENT RELEASING CLAIMS IT COULD NOT ADJUDICATE CONFLICTS WITH DECISIONS OF THIS AND OTHER COURTS

A. The Decision Conflicts with Established Law Regarding the Settlement and Release of Claims

The Second Circuit erred, and its decision conflicts with *Matsushita* and decisions of other courts, by ignoring the settled law permitting the release of claims over which a court lacks subject matter jurisdiction and focusing instead on the narrow issue of whether the district court would have had jurisdiction to adjudicate the claims that were being settled and released.

A long line of decisions have approved the settlement and release of claims in the class action context, irrespective of whether those claims were or could have been presented due to Article III or other jurisdictional defects. *See, e.g.*, *Matsushita*, 516 U.S. at 374-75 (state courts may release even claims subject to exclusive federal jurisdiction); *Lexecon Inc.*

v. Milberg Weiss Bershad Hynes & Lerach, 523 U.S. 26, 30 (1998) (holding that transferee courts lack jurisdiction to try transferred cases, but stating no objection to a transferee court's settlement of a case it lacked power to try); *In re Prudential Ins. Co. of Am. Sales Practice Litig.*, 261 F.3d 355, 366 (3d Cir. 2001) ("It is now settled that a judgment pursuant to a class settlement can bar later claims based on the allegations underlying the claims in the settled class action . . . even though the precluded claim was not presented, and could not have been presented, in the class action itself.") (citation omitted); *In re Corrugated Container Antitrust Litig.*, 643 F.2d 195, 221 (5th Cir. 1981) ("[e]ven when the court does not have power to adjudicate a claim, it may still 'approve release of that claim as a condition of settlement of (an) action (before it).'"); *Class Plaintiffs v. City of Seattle*, 955 F.2d 1268, 1287 (9th Cir. 1992) (federal court may release not only claims alleged in the complaint, but also a claim "based on the identical factual predicate as that underlying the claims in the settled class action even though the claim was not presented and might not have been presentable in the class action."). *Id.* at 1287.[3]

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[3] *See also Wal-Mart Stores, Inc. v. Visa U.S.A., Inc.*, 396 F.3d 96, 108-09 (2d Cir. 2005) (court had jurisdiction to approve settlement benefiting persons who asserted no claims and are thereby outside court's jurisdiction); *Grimes v. Vitalink Commu'ns Corp.*, 17 F.3d 1553, 1563 (3d Cir. 1994) ("it is widely recognized that courts without jurisdiction to hear certain claims have the power to release those claims as part of a judgment"); *Nottingham Partners v. Trans-Lux Corp.*, 925 F.2d 29, 33-34 (1st Cir. 1991) (jurisdiction to approve releases does not require jurisdiction to adjudicate).

As the Second Circuit had previously held in *TBK Partners Ltd. v. Western Union Corp.*, 675 F.2d 456, 460 (2d Cir. 1982) – a case contrary to and inexplicably ignored in the decision here – because of the strong public policy favoring "comprehensive settlement," courts may approve class action settlements releasing claims which they had no jurisdiction to adjudicate:

> [W]e have recognized the authority of a state court to approve a settlement that releases a claim within the exclusive jurisdiction of the federal courts [and] therefore conclude that in order to achieve a comprehensive settlement that would prevent relitigation of settled questions at the core of a class action, a court may permit the release of a claim based on the identical factual predicate as that underlying the claims in the settled class action even though the claim . . . might not have been presentable in the class action.

TBK Partners, 675 F.2d at 460 (citations omitted; emphasis added). To use the formulation of a leading commentator, although the district court lacked "jurisdiction to try [damage claims regarding unregistered works,] it had (through the 'alchemy of settlement') the authority to dispose of them." Judith Resnik, Procedure as Contract, 80 Notre Dame L. Rev. 598, 628 (2005) (footnote omitted).

Matsushita and the long line of cases that precede and follow it consider the power of courts with regard to settlement "broadly [under] the law of 'releases' rather than narrowly [as an] issue of federal court jurisdiction." *Williams v. GE Capital*

Auto Lease, 159 F.3d 266, 268-69, 273-74 (7th Cir. 1998) (treating members of a settlement class as beneficiaries of the parties' settlement agreement, rather than as parties). Approving a settlement in which the parties contract for the release of claims not previously placed before the court, in order to obtain complete peace for the defendant at a cost that the plaintiffs will accept, is not the same as adjudicating claims over which a court lacks jurisdiction. This Court has so held at least twice.

Matsushita, 516 U.S. at 381, held that the exclusive jurisdiction of federal courts to adjudicate federal securities fraud claims does not preclude state courts from approving releases of such claims. The Court decided that a state court's approval of a classwide release of claims that the Court could not have adjudicated is not the jurisdictionally barred adjudication of those claims. Similarly, in *Local No. 93, Int'l Assoc. of Firefighters v. City of Cleveland,* 478 U.S. 501 (1986) ("*Firefighters*"), this Court held that federal courts could approve classwide settlement agreements providing for relief that the statute prohibited the court from granting, since it was the parties' agreement, not judicial adjudication, that produced the terms agreed upon:

> More importantly, it is the agreement of the parties, rather than the force of the law upon which the complaint was originally based, that creates the obligations embodied in a consent decree. Consequently, whatever the limitations Congress placed in § 706(g) on the power of federal courts to impose obligations on employers or unions to remedy violations of Title VII, these simply do not apply when

> the obligations are created by a consent decree.

478 U.S. at 522-23; *see also id.* at 526 ("the court is not barred from entering a consent decree merely because it might lack authority . . . to do so after a trial.").

In conflict with that approach, the Second Circuit here totally ignored the law of releases. Instead, it took a hyper-technical approach to § 411(a), treating it as "jurisdictional" in the sense not only that other courts have (as a precondition to the court's power to adjudicate copyright infringement claims), but also more broadly as eliminating the long-recognized judicial power to approve a consensual resolution of the plaintiffs' dispute providing for the release of claims that the court lacked power to adjudicate.

The conflict between those two approaches requires this Court's resolution. The split between the Second Circuit's denial of jurisdiction to approve a settlement agreement in this case, on the one hand, and *Matsushita*, *Firefighters*, and cases such as *Williams* on the other, is particularly notable. Unlike those and the other cases discussed above, where the settling court may never have been able to acquire jurisdiction over certain of the settled claims, the § 411(a) registration obstacle here is curable in theory, and could be overcome by registering unregistered works (if the necessary information to identify freelance articles and contact class members were comprehensively available, which it unfortunately is not). The issue here is whether Congress intended the § 411(a) precondition to *instituting* suit also to bar approval of a class action

settlement resolving an industry-wide problem that could not otherwise be addressed. This case was properly instituted under § 411(a), and its consensual resolution, completely consistent with the Court's prescription in *Tasini*, is obviously in the interests of authors, publishers, the electronic archives, and readers and researchers generally.

One can agree that § 411(a) is a precondition to the institution of a copyright infringement action and to the judicial grant of damage remedies for unregistered works, as petitioners do, without profligately expanding § 411(a) to prohibit judicial approval of a private settlement, in a properly instituted action after five years of complex mediation, merely because that settlement provides for the compensation and release of claims involving unregistered works. *Cf. Arbaugh v. Y & H Corp.*, 546 U.S. 500, 510 (2006) ("Jurisdiction," this Court has observed, 'is a word of many, too many, meanings'") (citations omitted).

There had indisputably been no jurisdictional defect from institution of the suit until the motion for preliminary approval in 2005. Because of the *Matsushita* principle, neither the district court nor the parties here perceived a jurisdictional impediment to the comprehensive settlement, just as the Ninth Circuit and its lower court noticed no jurisdictional obstacle in approving a settlement that provided for compensation to class members without regard to registration. *See Steiner v. Am. Broad. Co.*, No. CV 00-05798, at 4-6 (C.D. Cal. Apr. 20, 2005) (approving settlement of copyright infringement class action that released claims on musical compositions and sound recordings without regard to

whether those works were registered), *aff'd on other grounds*, No. 05-55773, 2007 U.S. App. LEXIS 21061 (9th Cir. Aug. 29, 2007). Here, as in *Steiner* – where the Ninth Circuit should have vacated the settlement if the panel here is correct – the district court, with original jurisdiction over the named plaintiffs' claims under 28 U.S.C. §§ 1331 and 1338 in compliance with § 411(a), had Article III power to approve a settlement agreement that compensated and released all infringement claims of the class of authors, regardless of registration.

B. The Decision Misapprehends the Text and Purpose of Section 411(a) of the Copyright Act

The "law of releases" canvassed above demonstrates the panel's error below, unless § 411(a) is an exception to the general rule permitting courts to approve class action settlements that release and compensate claims outside their jurisdiction to adjudicate. The panel did not discuss the general rule and deemed the cases applying it "inapposite" without explanation. *See* Pet. App. 16a n. 4. Whether § 411(a) eliminates in copyright infringement cases a court's power to release claims outside its jurisdiction to adjudicate is an exceptionally important issue, and the Second Circuit's resolution of it is in obvious tension with the line of cases cited above broadly establishing such power regardless of jurisdiction to adjudicate.

The decision's extended discussion of whether § 411(a) is jurisdictional addressed a question that no party had raised and which the cases canvassed above render irrelevant. As the dissent perceived,

the issue that the panel raised *sua sponte* should have been not whether § 411(a) is "jurisdictional" – a word that this Court has stated has many differing meanings – but whether § 411(a) deprived the district court, in a case filed many years earlier in compliance with § 411(a) over which jurisdiction was conferred by §§ 1331 and 1338, of its otherwise clear power to approve a settlement providing for the compensation and release of claims regarding unregistered works.

The district court did not assume or exercise jurisdiction to adjudicate infringement claims or grant damages regarding unregistered works – powers that defendants agree the court lacked. Rather, it dispatched to mediation, and then approved the agreement privately resolving, a lawsuit in which each claim of the named plaintiffs complied with § 411(a) because, when the case was "institute[d]" in 2000, every U.S. work whose infringement plaintiffs complained of had been duly registered.

This Court rested its decision in *Matsushita* on that very distinction, rejecting the objection that Delaware had improperly resolved exclusively federal securities law claims: "While § 27 prohibits state courts from adjudicating claims arising under the Exchange Act, it does not prohibit state courts from approving the release of Exchange Act claims in the settlement of suits over which they have properly exercised jurisdiction. . . ." 516 U.S. at 381. The Second Circuit's approach conflicts directly with that distinction which controlled the decisions in *Matsushita* and earlier in *Firefighters*.

Both the statutory text and the purpose underlying § 411(a) strongly suggest that Congress did not divest district courts of their usual power to consider and approve a settlement providing for the release of claims that could not at present be adjudicated.

The statutory text sets a registration precondition before an infringement action may be "instituted." Filing a complaint, not certification of a class in connection with settlement many years later, is the institution of a lawsuit. *See Herman & MacLean v. Huddleston*, 459 U.S. 375, 378 (1983) (one of six Supreme Court class action decisions, three from before the 1976 enactment of the Copyright Act, in which "instituted" consistently refers to the initial filing of a lawsuit, not to subsequent settlement class certification); *Local Union No. 38, Sheet Metal Workers' Int'l Ass'n, AFL-CIO v. Pelella*, 350 F.3d 73, 82 (2d Cir. 2003) ("A party institutes an action when he commences a judicial proceeding."); *see also Grupo Dataflux v. Atlas Global Group, L.P.*, 541 U.S. 567, 571 (2004) (jurisdiction is determined at the time of filing, "regardless of the costs" that rule imposes). Moreover, there is strong reason to attend to the statutory verb "instituted," since the 1976 Act replaced the 1909 Act's "no action . . . shall be *maintained*," *see New York Times Co. v. Star Co.*, 195 F. 110, 111 (2d Cir. 1912) (emphasis added), with "no action . . . shall be *instituted*."

Plaintiffs instituted their infringement action in full compliance with § 411(a). It was nearly five years later before the parties presented a proposed settlement in which, to resolve the claims within the

court's clear jurisdiction, defendants agreed to provide payments to (and obtain releases from) a class of freelance authors. The court approved the settlement and certified the requested class of authors after reviewing the settlement for fairness and reasonableness under Rule 23(e). Just as in *Matsushita* and *Firefighters,* the district court here did not adjudicate claims beyond its jurisdiction, but simply approved a private contractual settlement as fair and reasonable. Neither approval of the settlement nor the concomitant certification of the class was the "institution" of an "action for infringement of the copyright." That happened five years earlier, in compliance with § 411(a).

The refusal to apply § 411(a) as written – and the decision to apply it as a limitation on not only the institution of suit but also the permissible scope of settlement – conflicts with this Court's warning that "[w]e must not give jurisdictional statutes a more expansive interpretation than their text warrants." *Exxon Mobil Corp. v. Allapattah Servs.*, 545 U.S. 546, 558, 549 (2005). *Exxon* directs focus to whether "the action is one in which the district courts would have original jurisdiction," and away from whether each putative class member could herself have been a plaintiff. *Id.* at 558. *Exxon* teaches that class action settlements may compensate (and release the claims of) absent class members who could not have themselves satisfied the requirements of subject matter jurisdiction and sued, *see id.* at 558-59. Contrary to that approach, the Second Circuit stretched § 411(a) far beyond its text and intent, as if it repealed, in copyright infringement cases, courts' settled authority to advance the public interest by

settling cases, even when the settlement agreement broadly compensates and releases claims that the courts could not adjudicate.

Nor does § 411(a)'s text or purpose suggest any congressional purpose to strip district courts of their usual power to approve settlements releasing claims (even claims beyond the court's power to adjudicate). Section 411(a)'s purpose is to induce registration and deposit, which it does by providing that "a copyright owner who has not registered his claim can have a valid cause of action against someone who has infringed his copyright, but he cannot enforce his rights in the courts until he has made registration." H. Rep. No. 94-1476, at 157 (1976), reprinted in 1976 U.S.C.C.A.N. 5659, 5773. Consistent with statutory text and purpose, the settlement entailed no judicial enforcement of unregistered copyrights, no adjudication of infringement claims regarding such works, and no judicial grant of copyright remedies. *See Matsushita*, *supra*.[4]

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[4] The leading commentator agrees that once jurisdiction is properly obtained in compliance with § 411(a) at the outset of litigation, a court "may order remedies such as seizure or injunction as permitted by statute, without reference to whether the precise items seized or enjoined are covered by a registration certificate." 2 Nimmer on Copyright ¶ 7.16[C][3] (footnotes omitted). *A fortiori*, § 411(a) should not be overread to preclude courts from exercising in copyright cases the general powers conferred by Article III (such as approving settlements) that do not reflect the grant of copyright remedies. *See also* Supplementary Report of the Register of Copyrights on the General Revision of the U. S. Copyright Law: 1965 Revision Bill, 89th Cong., 1st Sess., page 126 (only "the special remedies of statutory damages under section 504(c) and attorney's fees under section 505 should be dependent on registration").

Construing § 411(a) to preclude settlement of claims where releases covering unregistered works are required is contrary to the approach taken in *Washingtonian Publ'g Co. v. Pearson*, 306 U.S. 30, 41 (1939). *Pearson* rejected a comparably overreaching application of a registration statute because it "would not square with the words actually used in the statute, would cause conflict with its general purpose, and in practice produce unfortunate consequences." The Court preferred a construction that provided "adequate" compulsion to one that would have "a more drastic effect [that] would tend to defeat the broad purpose of the enactment." *Id.*

Avoiding similarly undue "drastic" and unwarranted impact, courts have consistently read § 411(a) to preclude adjudication of damage claims but not the grant of otherwise appropriate injunctive relief regarding future or unregistered works or the approval of broad settlement agreements, because to do so would defeat the broad purpose of copyright law.[5] By contrast, the Second Circuit's overreaching application of § 411(a) ignores its language, conflicts with its purpose, defeats protection of copyrighted works (where, as here, damages for any individual work might not exceed the cost of registration), precludes agreed-on compensation to authors, and deprives the public of the benefits of the restored

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[5] Among the cases approving injunctions reaching unregistered works are *Perfect 10, Inc. v. Amazon.com, Inc.*, 508 F.3d 1146, 1154 n.1 (9th Cir. 2007); *Olan Mills, Inc. v. Linn Photo Co.*, 23 F.3d 1345, 1349 (8th Cir. 1994); and *Pac. and S. Co. v. Duncan*, 744 F.2d 1490, 1499 n.17 (11th Cir. 1984).

electronic archives that the settlement would make possible.

C. The Decision Cannot Be Reconciled With This Court's Precedent Governing the Phrase "Except as Expressly Provided"

The "law of releases" canvassed above makes plain that the Second Circuit erred in looking to independent jurisdiction with respect to the released claims. But even if it was correct (and all those other cases wrong), its decision that supplemental jurisdiction is unavailable misreads 28 U.S.C. § 1367, overreads § 411(a), and is irreconcilable with *Breuer v. Jim's Concrete of Brevard, Inc.*, 538 U.S. 691, 696-97 (2003).

Like the removal statute at issue in *Breuer*, 28 U.S.C. § 1367 confers federal jurisdiction broadly unless Congress has "expressly provided otherwise": "except as . . . expressly provided otherwise by Federal Statute," courts have supplemental jurisdiction "over all other claims that are so related to claims in the action within such original jurisdiction that they form part of the same case or controversy . . . *Such supplemental jurisdiction shall include claims that involve the joinder or intervention of additional parties*" (emphasis added).

Breuer held that every word in the phrase "except as otherwise expressly provided by Act of Congress" had to "be taken seriously." But the Second Circuit pointed to nothing whatever in the text of § 411(a), and there is nothing, that "expressly" provides for the inapplicability of supplemental jurisdiction in connection with approving settlements in cases properly instituted under § 411(a). To the

contrary, the panel made precisely the error that the petitioner in *Breuer* did, reading the jurisdictional statute as if it lacked the word "expressly."

The Second Circuit was simply incorrect in stating that "Section 1367(a) excepts from its reach those cases in which another federal statute denies jurisdiction" (Pet. App. 25a); rather, it excepts from its reach only those cases in which another federal statute "*expressly*" provides that supplemental jurisdiction is inapplicable. To use the analysis employed by *Breuer*, 538 U.S. at 694, "Nothing on the face of [17 U.S.C. § 411(a)] looks like an express prohibition of [supplemental jurisdiction], there being no mention of" supplemental jurisdiction, let alone of prohibiting its exercise if that is even necessary in approving settlement agreements.

II. THE DECISION CANNOT BE RECONCILED WITH THIS COURT'S EXPECTATION IN *TASINI* THAT AUTHORS AND PUBLISHERS MAY ENTER INTO ENFORCEABLE AGREEMENTS ALLOWING CONTINUED ELECTRONIC REPRODUCTION OF AUTHORS' WORKS

The holding below ignores and contradicts *Tasini*'s prescription that, in order to restore the integrity of electronic archives, "[t]he parties (Authors and Publishers) may *enter into an agreement allowing continued electronic reproduction of the Authors' works*; they, and if necessary the courts and Congress, may draw on numerous models for distributing copyrighted works and remunerating authors for their distribution." 533 U.S. at 505.

That paragraph in *Tasini* prompted authors and their organizations, the database defendants, and newspaper and magazine publishers (some of which were defendants, others of which were participants under the spectre of being impleaded if litigation went forward) to invest four years of time and effort and considerable resources in a complex and difficult mediation under the guidance of one of the nation's most distinguished mediators, Kenneth Feinberg. By the conclusion of the mediation, which Mr. Feinberg described as the longest in American legal history, the parties to the mediation had accomplished what none of them believed possible years earlier: a settlement of all the issues that all three sides (authors, databases, and periodical publishers) could live with and enthusiastically support, and which served the public interest by providing for the restoration of archives that had been riddled with holes as a result of *Tasini*.

The Second Circuit's erroneous holding precludes the *sine qua non* of that or indeed any judicial cure – classwide release of claims with respect to registered and unregistered works so as to permit retention of millions of news and similar articles in electronic archives, for which the publishers and databases were willing to pay handsomely with respect to each claim released.

The parties worked hard and successfully to "enter into an agreement allowing continued electronic reproduction of the Authors' works," as contemplated by *Tasini*, that would avoid the permanent degradation of on-line archival databases and maintain a permanent, accessible record for the public and scholars. Without classwide release of

infringement liability, there is simply no way to restore the archives, as separate agreements with the tens of thousands of freelance authors whose works (written since 1978) pose a continuing threat of liability are wildly impracticable. Due principally to inadequate information and the prohibitive cost of individualized article and writer identification and negotiation, it is not possible to identify, contact, and separately license rights from each of the many thousands of authors who wrote articles over several decades (where the publishers thought that they had obtained adequate rights and therefore generally lacked information to identify freelance articles or to contact freelance authors). Absent classwide releases, articles already removed will remain taken down (to the considerable extent that publishers withdrew them after *Tasini*) and additional swaths of articles will be taken down (by publishers who either can identify freelance works or who will, proactively, take down all possibly freelance articles for the period before permissions practices were reformed in light of *Tasini*).

The Second Circuit's vitiation of precisely the private agreement *Tasini* contemplated ignored the broad grant of jurisdiction in § 1338. The decision was not compelled by, and indeed ignores, the plain language of § 411(a), with which plaintiffs quite literally complied according to its terms. Further, the decision gave insufficient weight to the strong public policy favoring consensual settlement of broadscale disputes, particularly those that affect the public interest. *McDermott, Inc. v. AmClyde*, 511 U.S. 202, 215 (1994) ("[P]ublic policy wisely encourages settlements."). The policy of facilitating such

settlements is a principal reason for the rule permitting courts to release claims they lack jurisdiction to adjudicate:

> Public policy strongly favors the pretrial settlement of class action lawsuits . . . Complex litigation – like the instant case – can occupy a court's docket for years on end, depleting the resources of the parties and the taxpayers while rendering meaningful relief increasingly elusive. Accordingly, the Federal Rules of Civil Procedure authorize district courts to facilitate settlements in all types of litigation, not just class actions. . . Although class action settlements require court approval, such approval is committed to the sound discretion of the district court.
>
> Modern class action settlements routinely incorporate settlement bar orders such as the one at issue in this case. . . . The reason for this trend is that bar orders play an integral role in facilitating settlement. Defendants buy little peace through settlement unless they are assured that they will be protected against codefendants' efforts to shift their losses through cross-claims for indemnity, contribution, and other causes related to the underlying litigation.

In re United States Oil & Gas Litig., 967 F.2d 489, 493-94 (11th Cir. 1992) (citations omitted). As the Third Circuit explained,

> "[I]t may seem anomalous . . . that courts without jurisdiction to hear certain claims have the power to release those claims as part of a judgment. However, [courts] have endorsed the rule *because it serves the important policy interest of judicial economy by permitting parties to enter into comprehensive settlements.*"

Prudential, 261 F.3d at 366 (citations omitted); *see also Class Plaintiffs*, 955 F.2d at 1287 (because "[S]trong judicial policy [ ] favors settlements, particularly where complex class action litigation is concerned," "federal courts may release not only those claims alleged in the complaint, but also a claim based on the identical factual predicate as that underlying the claims in the settled class action even though the claim was not presented and might not have been presentable in the class action").

The Second Circuit held that courts lack jurisdiction to approve settlements containing the *sine qua non* of any agreement "allowing continued electronic reproduction of the Authors' works," and that Congress deprived courts in copyright cases of their longstanding power to approve settlements releasing claims that they may at present lack power to adjudicate. Those holdings are at odds with the premise in *Tasini* and warrant this Court's review.

CONCLUSION

For all the aforementioned reasons, the petition for a writ of certiorari should be granted.

July 21, 2008

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APPENDIX

APPENDIX

A. Opinion of the Second Circuit

UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

August Term, 2006

(Argued: March 7, 2007 Decided: November 29, 2007)

Docket Nos. 05-5943-cv(L), 06-0223-cv(CON)*

IN RE: LITERARY WORKS IN ELECTRONIC DATABASES COPYRIGHT LITIGATION

IRVIN MUCHNICK, ABRAHAM ZALEZNIK, CHARLES SCHWARTZ, JACK SANDS, TODD PITOCK, JUDITH STACEY, JUDITH TROTSKY, CHRISTOPHER GOODRICH, KATHY GLICKEN AND ANITA BARTHOLOMEW,

Objectors-Appellants,

—v.—

THOMSON CORPORATION, DIALOG CORPORATION, GALE GROUP, INC., WEST PUBLISHING COMPANY, INC., DOW JONES & COMPANY, INC., DOW JONES REUTERS BUSINESS INTERACTIVE, LLC, KNIGHT RIDDER INC., KNIGHT RIDDER DIGITAL, MEDIASTREAM, INC., NEWSBANK, INC., PROQUEST COMPANY, REED ELSEVIER INC., UNION-TRIBUNE PUBLISHING

* The appeal filed under Dock No. 06-0223-cv(CON) was dismissed by Court Order on May 17, 2006.

COMPANY, NEW YORK TIMES COMPANY, COPLEY PRESS, INC., EBSCO INDUSTRIES, INC. AND PARTICIPATING PUBLISHER TRIBUNE COMPANY,

Defendants-Appellees,

MICHAEL CASTLEMAN INC., E.L. DOCTOROW, TOM DUNKEL, ANDREA DWORKIN, JAY FELDMAN, JAMES GLEICK, RONALD HAYMAN, ROBERT LACEY, RUTH LANEY, PAULA MCDONALD, P/K ASSOCIATES, INC., LETTY COTTIN POGREBIN, GERALD POSNER, MIRIAM RAFTERY, RONALD M. SCHWARTZ, MARY SHERMAN, DONALD SPOTO, ROBERT E. TREUHAFT AND JESSICA L. TREUHAFT TRUST, ROBIN VAUGHAN, ROBLEY WILSON, MARIE WINN, NATIONAL WRITERS UNION, THE AUTHORS GUILD, INC. AND AMERICAN SOCIETY OF JOURNALISTS AND AUTHORS,

Plaintiffs-Appellees,

EDWARD ROEDER,

Appellant.

Before:

WINTER, WALKER, and STRAUB, *Circuit Judges.*[**]

Appeal from an order and judgment of the United States District Court for the Southern District of New York (George B. Daniels, Judge) certifying a class of freelance authors and approving a settlement of their copyright infringement claims

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[**] As putative members of the class, Judges Winter and Walker have filed contemporaneously a separate opinion explaining their decision against recusal in this case. *See In re Literary Works in Elec. Databases Copyright Litig.*, — F.3d — (2d Cir. Nov. 19, 2007).

arising from the unauthorized electronic reproduction of their work. The overwhelming majority of class members' claims concern the infringement of unregistered copyrights. We hold that the District Court lacked jurisdiction over those claims. We therefore vacate the certification and settlement approval, and remand for proceedings consistent with this opinion.

Judge WALKER dissents in a separate opinion.

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Francisco, CA; Gary Fergus, Fergus, A Law Firm, San Francisco, CA, *on the brief*), *for Plaintiffs-Appellees.*

STRAUB, Circuit Judge:

This class action copyright litigation arises from the unauthorized electronic reproduction of various written works. Named plaintiffs and class members consist mainly of freelance writers who contracted with publishers to author the works for publication in print media, and retained the copyrights in those works. The contracts did not grant the publishers the right to electronically reproduce those works or license them for electronic reproduction by others. But the publishers did so anyway.

Plaintiffs then brought this class action on the theory that such electronic reproduction infringed their copyrights. After years of negotiations, class and defense counsel finally agreed on a settlement. Following lengthy motion practice, the District Court for the Southern District of New York certified a class and approved the settlement. We review that order and judgment on this appeal.

The overwhelming majority of claims within the certified class arise from the infringement of unregistered copyrights. We have held, albeit outside the class action context, that district courts lack statutory subject matter jurisdiction over infringement claims arising from unregistered copyrights. *See Well-Made Toy Mfg. Corp. v. Goffa Int'l Corp.*, 354 F.3d 112, 115 (2d Cir. 2003); *Morris v. Bus. Concepts, Inc.*, 259 F.3d 65, 72 (2d Cir.

2001). The District Court never specifically addressed this potential jurisdictional flaw.

The precise issue on appeal is whether the District Court had jurisdiction to certify a class consisting of claims arising from the infringement of unregistered copyrights and to approve a settlement with respect to those claims. We hold that it did not. We therefore vacate its order and judgment and remand the case for proceedings consistent with this opinion.

BACKGROUND

In *New York Times Co. v. Tasini*, 533 U.S. 483, 488 (2001), the Supreme Court held that § 201(c) of the Copyright Act does not permit publishers to reproduce freelance works electronically when they lack specific authorization to do so. *Tasini* effectively requires publishers wishing to electronically reproduce written works to obtain a separate license to do so. Shortly after the Court decided *Tasini*, three preexisting class action infringement suits, which had been suspended pending the decision, were activated and consolidated in the Southern District of New York. A fourth, nearly identical action was coordinated with that consolidated action. Together, these claims comprise the instant litigation.

In this case there are basically two kinds of plaintiffs: individual authors and trade groups representing authors. Defendants also fall into two classes: companies that publish original electronic content, such as the New York Times Co., and companies that operate databases that license

content from publishers, such as Thomson Corporation, the owner of Westlaw.

The named plaintiffs, and the class members they purport to represent, produced written works for certain defendants on a freelance basis. Based on their copyrights in those freelance works, plaintiffs assert claims for two types of infringement. They first claim that publishers, such as the New York Times Co., infringed their copyrights. This infringement allegedly occurred when the publishers licensed the articles for print publication only but also reproduced the articles in their electronic databases. Since the publishers needed but never received a license for this second, electronic reproduction, plaintiffs allege that it constitutes infringement.

Plaintiffs next claim that the electronic database services infringed their copyrights. This infringement allegedly occurred when those companies licensed the articles from the publishers and then reproduced the articles in their own electronic databases. Because the publishers never possessed the right to electronically reproduce the articles, plaintiffs urge, the publishers could not grant any license for electronic reproduction. Thus, any such license that the publishers sold to the aggregators and databases was legally ineffective. Consequently, according to plaintiffs, the electronic reproduction by the databases is unauthorized and infringing.

Since *Tasini* established the basic soundness of plaintiffs' liability theory, the District Court swiftly referred the parties to mediation. Before the

mediator, defendants contended that this litigation possessed scant settlement value because the District Court could never certify the vast majority of the claims for inclusion in any proposed class. Defendants noted that section 411(a) of the Copyright Act provides that "no action for infringement of the copyright in *any* United States work shall be *instituted* until preregistration or registration of the copyright claim has been made in accordance with this title." 17 U.S.C. § 411(a) (emphases in defendants' mediation submission). "That rule," defendants wrote, "whose language could hardly be clearer, precludes the certification of any class respecting works in which a copyright has not been registered." Defendants then cited authority for the proposition that the District Court "lacks jurisdiction . . . to certify a class covering any unregistered works." Citing survey evidence showing that freelancers register less than one percent of their works, defendants noted that this jurisdictional failure likely affected more than 99 percent of the claims at issue.

Despite this looming jurisdictional issue, the desire to achieve global peace in the publishing industry spurred the parties through more than three years of "often heated" negotiations until they reached an agreement in 2005. The agreement defines the class, "for settlement purposes only," as follows:

> All persons who, individually or jointly, own a copyright under the United States copyright laws in an English language literary work that has been reproduced, displayed, adapted, licensed, sold and/or

> distributed in any electronic or digital format, without the person's express authorization by a member of the Defense Group or any member's subsidiaries, affiliates, or licensees (a) at any time on or after August 15, 1997 (regardless of when the work first appeared in an electronic database) or (b) that remained in circulation after August 15, 1997, even if licensed prior thereto, including English language works qualifying for U.S. copyright protection under an international treaty (hereinafter "Subject Work").

The parties agree that the large majority of "subject works" have not been registered with the U.S. Copyright Office.

The settlement sorts plaintiffs' claims into three groups. Category A claims concern copyrights that were registered prior to any infringement. Because these copyrights were registered before the infringing reproduction, they are eligible for statutory damages and attorney's fees under the Copyright Act. *See* 17 U.S.C. § 412. Category B claims concern copyrights that were registered *after* the infringing reproduction but before December 31, 2002. Under the Copyright Act, these claims qualify for actual damages only. *See id.* Category C claims, by far the most numerous, regard copyrights registered after December 31, 2002 or not registered at all.

The settlement also assigns a damages formula to each type of claim. Category A claimants receive a

flat fee. Category B claimants receive the greater of either a flat fee or a percentage of the original price of the work. By and large, Category C claimants also receive the greater of either a flat fee or a percentage of the original price of the work. Importantly, if the cost of all claims (plus the cost of notice, administration, and attorney's fees) exceeds $18 million, then the amount paid to Category C claimants is reduced – potentially to zero – before the claims of Category A and B claimants are affected. This feature is called the "C-reduction."

Having reached an agreement, plaintiffs and defendants moved the District Court for class certification and settlement approval. Objectors opposed the motion on the ground, *inter alia*, that the settlement was inadequate and unfair to Category C claimants because they were paid little and singled out for reduction if the total claims exceeded $18 million. Objectors also maintained that the disparate treatment of Category C claimants illustrates that named plaintiffs, who each possess at least some registered copyrights, did not adequately represent those absent class members who possess only unregistered copyrights.

Defendants responded that Category C claimants were adequately represented and treated fairly because their claims were essentially worthless. In justifying the C-reduction, defendants renewed their jurisdictional argument, urging that Category C claims mainly concerned "works in which [the] copyright had never been registered, and which were not, therefore, within the court's subject matter jurisdiction." Somewhat similarly, plaintiffs maintained that "freelance authors typically did not

register their works and thus lacked standing to bring an infringement action."

After prolonged proceedings, the District Court granted final class certification and final settlement approval in September of 2005. The District Court never considered whether it had jurisdiction to certify a class consisting mostly of claims arising from unregistered copyrights, or to approve a settlement resolving those claims.

Objectors appealed, again challenging the settlement's fairness and the adequacy of named plaintiffs' representation. Prior to oral argument, we became concerned that the District Court and the parties had passed over a nettlesome jurisdictional question. We ordered the parties to submit letter briefs "addressing the issue of whether the District Court had subject matter jurisdiction over claims concerning the infringement of unregistered copyrights." *In re Literary Works in Elec. Databases Copyright Litig.*, No. 05-5943-cv (2d Cir. Jan. 31, 2007). Those submissions were timely filed and we further questioned the parties at oral argument.

DISCUSSION

We review *de novo* whether the District Court had subject matter jurisdiction. *See, e.g., DiTolla v. Doral Dental IPA of New York*, 469 F.3d 271, 275 (2d Cir. 2006). In the following sections, we first ask whether the Copyright Act's registration requirement is jurisdictional and then ask whether each claim within the class must satisfy that requirement. We answer both questions affirmatively. Since most of the claims within this

purported class do not satisfy the registration requirement, we also analyze whether the supplemental jurisdiction statute, 28 U.S.C. § 1367, remedies that jurisdictional defect. We conclude that it does not. Based on those determinations, we ultimately hold that the District Court lacked jurisdiction to certify the instant class or approve the settlement.

I. The Copyright Act's Registration Requirement Is Jurisdictional

Federal district courts possess only limited jurisdiction, which Congress regulates by statute. *See* U.S. Const. art. III, § 1; *Exxon Mobile Corp. v. Allapattah Servs., Inc.*, 545 U.S. 546, 552 (2005). In a copyright action, a district court initially derives its jurisdiction from two sources: 28 U.S.C. §§ 1331 and 1338. Section 1331 provides district courts with a general grant of original jurisdiction over "all civil actions arising under the Constitution, laws, or treaties of the United States." Section 1338 more specifically grants district courts original jurisdiction over "any civil action arising under any Act of Congress relating to . . . copyrights."

But these provisions are not necessarily the end of the matter. Congress may supplement or limit these basic provisions with additional requirements "expressed in a separate statutory section from jurisdictional grants." *Barnhart v. Peabody Coal Co.*, 537 U.S. 149, 159-60 n.6 (2003). Section 411(a) of the Copyright Act, which regulates a district court's authority to adjudicate a copyright claim, is one such additional provision. It provides that "no action for infringement of the copyright in any United States

work shall be instituted until preregistration or registration of the copyright claim has been made in accordance with this title." 17 U.S.C. § 411(a); *see also* 17 U.S.C. § 501.[1]

Whether this requirement is jurisdictional is not up for debate in this Circuit. On two recent occasions, we have squarely held that it is. *See Well-Made Toy Mfg. Corp. v. Goffa Int'l Corp.*, 354 F.3d 112, 114, 115 (2d Cir. 2003) (affirming dismissal for lack of "subject matter jurisdiction" because section 411(a)'s "registration requirement is jurisdictional"); *Morris v. Business Concepts, Inc.*, 259 F.3d 65, 72, 73 (2d Cir. 2001) (holding "that subject matter jurisdiction was lacking because the registration requirement of section 411(a) was not satisfied" and affirming dismissal "for lack of subject matter jurisdiction").

We are far from alone in this regard; there is widespread agreement among the circuits that section 411(a) is jurisdictional. *See La Resolana Architects, PA v. Clay Realtors Angel Fire*, 416 F.3d 1195, 1200 (10th Cir. 2005) ("Section 411(a) is the jurisdictional lynchpin to copyright infringement actions[.]"); *Positive Black Talk Inc. v. Cash Money Records Inc.*, 394 F.3d 357, 365 (5th Cir. 2004) (noting that section 411(a) "supplement[s]" the "broad underlying" jurisdictional grants in 28 U.S.C.

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[1] We note that only "United States works" must be registered. 17 U.S.C. § 411(a). Some claims within the class may arise from unregistered copyrights in foreign works, over which the District Court would possess jurisdiction. We leave it to the District Court and the parties to sort those claims on remand.

§§ 1331, 1338 and acts as an additional "jurisdictional prerequisite"); *Xoom, Inc. v. Imageline, Inc.*, 323 F.3d 279, 283 (4th Cir. 2003) ("Copyright registration is a jurisdictional prerequisite to bringing an action for infringement under the Copyright Act."); *Murray Hill Publ'ns, Inc. v. ABC Comme'ns, Inc.*, 264 F.3d 622, 630 n.1 (6th Cir. 2001) (noting that while copyright protection exists prior to registration, "[t]he registration requirement under section 411[a] is a jurisdictional prerequisite to the right of the holder to enforce the copyright in federal court"); *Brewer-Giorgio v. Producers Video, Inc.*, 216 F.3d 1281, 1285 (11th Cir. 2000) ("It is well settled in this Court that the registration requirement is a jurisdictional prerequisite to an infringement suit." (internal quotation marks omitted and alterations incorporated)); *Data Gen. Corp. v. Grumman Sys. Support Corp.*, 36 F.3d 1147, 1163 (1st Cir. 1994) (describing registration under section 411(a) as a "jurisdictional requirement").

Given our own binding precedent, not to mention the persuasive authority of our sister circuits, we again conclude that section 411(a)'s registration requirement limits a district court's subject matter jurisdiction to claims arising from registered copyrights only.

The parties advance several arguments that effectively ask us to overrule our holdings in *Morris* and *Well-Made*. The short answer to these arguments is that this panel simply cannot overrule a prior panel's holding. *See Jones v. Coughlin*, 45 F.3d 677, 679 (2d Cir. 1995) ("A decision of a panel of this Court is binding unless and until it is overruled

by the Court *en banc* or by the Supreme Court."). Nevertheless, for the sake of completeness we explain why these arguments fail.

The parties first urge that section 411(a) is jurisdictional in a very minimal sense. They claim that if a plaintiff brings a single claim based on a registered copyright, the district court acquires jurisdiction over any and all related copyright claims, even if those other claims arise from unregistered copyrights. Defendants contend that "§ 411(a) is merely the plaintiff's ticket to court," that once stamped, allows him to raise all sorts of claims arising from unregistered copyrights. Although defendants are not necessarily bound by earlier arguments, their current tact cuts against their position before the mediator and the District Court, where they broadly maintained that "works in which [the] copyright had never been registered . . . were not . . . within the court's subject matter jurisdiction."[2]

Anyway, our holding in *Well-Made* shuts the door on this line of argument. There, the plaintiff brought two infringement claims: one based on the infringement of its *registered* copyright in a 20-inch doll, the other based on the infringement of its

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[2] The parties have attempted to harmonize their positions by contending that while the District Court lacked jurisdiction to certify a litigation class, it nevertheless had jurisdiction to certify the settlement-only class. But the jurisdictional statutes do not draw this line. We believe that a district court's jurisdiction must be proper in either event; the purpose of the certification does not alter fundamental – and constant – statutory jurisdictional requirements. *See infra* at 16-20.

unregistered copyright in a derivative 48-inch doll. 354 F.3d at 115. The district court decided the first claim on the merits but dismissed the second claim for lack of jurisdiction. *Id.* We affirmed on both scores. *Id.* at 115, 117. We specifically upheld the dismissal, for lack of jurisdiction, of the claim based on the unregistered copyright even though the plaintiff had paired that claim with a related claim stemming from the registered copyright in the 20-inch doll. *Id.* at 115-16. Thus, the existence of a claim based on a registered copyright does not bring within a district court's jurisdiction all related claims stemming from unregistered copyrights.

In similar vein, defendants also point out that other courts have enjoined the infringement of unregistered copyrights when at least one of the plaintiff's copyrights-in-suit was registered. *See, e.g., Perfect 10, Inc. v. Amazon.com, Inc.*, 487 F.3d 701, 710 n.1 (9th Cir. 2007); *Olan Mills, Inc. v. Linn Photo Co.*, 23 F.3d 1345, 1349 (8th Cir. 1994); *Pac. and S. Co. v. Duncan*, 744 F.2d 1490, 1499 n.17 (11th Cir. 1984). This is another, although more limited, variation on the theme that where one of the plaintiff's claims arises from a registered copyright, section 411(a) vests jurisdiction over any related infringement claim. There are several problems with this argument.

First, we have never held that a district court may enjoin the infringement of unregistered copyrights so long as the underlying action arises

from a registered copyright held by the same party.[3] Second, even if injunctive relief against infringement of an unregistered copyright is available, that relief is properly limited to situations, as were found to exist in *Olan Mills* and *Pacific and Southern Co.*, where a defendant has engaged in a pattern of infringement of a plaintiff's registered copyrights and can be expected to continue to infringe new copyrighted material emanating in the future from the plaintiff. *See Olan Mills, Inc.*, 23 F.3d at 1349; *Pac. and S. Co.*, 744 F.2d at 1499. That sort of prophylactic relief furthers the purposes of the Copyright Act generally and does not undermine the intended effect of section 411(a). To the extent that *Perfect 10, Inc.* suggests a broader exception, we decline to follow it. In any event, defendants' position calls for an exception vastly broader than is found in any case by asking us to rule that registration of one party's copyright would somehow provide jurisdiction over claims stemming from the unregistered copyrights of many other parties. We decline to do so.[4]

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[3] The single case the parties cite for this proposition, *Sailor Music v. Gap Stores, Inc.*, 668 F.2d 84 (2d Cir. 1981) (per curiam), does not even approach the issue, let alone decide it.

[4] Objectors also urge that jurisdiction is proper under our decision in *Wal-Mart Stores, Inc. v. Visa U.S.A. Inc.*, 396 F.3d 96 (2d Cir. 2005). Simply put, that case does not address any jurisdictional question and is inapposite. It addresses only the circumstances under which a release comports with due process, and whether a specific settlement was fair to absent class members -- issues that are not implicated here.

In addition to the parties' arguments, we have considered whether the Supreme Court's recent decision in *Eberhart v. United States*, 546 U.S. 12 (2005) (per curiam), "casts doubt" on *Morris* and *Well-Made*; if so, we may reconsider our holdings in those cases. *Loyal Tire & Auto Center, Inc. v. Town of Woodbury*, 445 F.3d 136, 145 (2d Cir. 2006); *see also Paese v. Hartford Life and Accident Ins. Co.*, 449 F.3d 435, 443-46 (2d Cir. 2006). We conclude that *Eberhart* does not undermine our holdings in *Morris* and *Well-Made*.

In *Eberhart*, the Supreme Court held that the seven-day time limit for moving under Federal Rule of Criminal Procedure 33 was not jurisdictional. 546 U.S. at 13. The Court underscored the "'critical difference between a rule governing subject-matter jurisdiction and an inflexible claim-processing rule,'" and slotted Rule 33's time limit within the latter category. *Id.* (quoting *Kontrick v. Ryan*, 540 U.S. 443, 456 (2004)).

A key difference between section 411(a) and Rule 33 renders *Eberhart* inapplicable. Rule 33 merely sets forth a time limit for moving in a case that undoubtedly already falls within the district court's subject matter jurisdiction. The rule is nothing more than an "'emphatic time prescription[] in [a] rule[] of court'" that regulates motion practice within a jurisdictionally-sound cause of action – namely, a prosecution for a violation of federal law. *Id.* at 18 (quoting *Kontrick*, 540 U.S. at 454). By contrast, section 411(a) creates a statutory condition precedent to the suit itself. In so doing, it "'delineat[es] the classes of cases . . . falling within a court's adjudicatory authority.'" *Id.* at 19 (quoting *Kontrick*,

540 U.S. at 455); *see also Bowles v. Russell*, 127 S. Ct. 2360, 2364-65 (2007) (distinguishing between "procedural rules adopted by the Court for the orderly transaction of its business," which are "not jurisdictional," from statutory "limits enacted by Congress," which typically are jurisdictional (internal quotation marks omitted)).[5] Given that

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[5] The dissent suggests that because copyright protection may exist before registration, section 411(a) should be seen as a mere "enforcement mechanism" that does not affect jurisdiction. **Dissent at 5.** However, as the dissent acknowledges, the crucial distinction between a claim-processing rule and a jurisdictional bar is whether the provision at issue is "essential to the existence of the [underlying] claim." *Id.* (quoting *Richardson v. Goord*, 347 F.3d 431, 434 (2d Cir. 2003) (per curiam); *see also Paese v. Hartford Life Accident Ins. Co.*, 449 F.3d 435, 444-45 (2d Cir. 2006); *Coleman v. Newburgh Enlarged City Sch. Dist.*, --- F.3d ---, 2007 WL 2768745, at *8 (2d Cir. Sept. 25, 2007) (Straub, J., concurring). Under the plain language of the Copyright Act, registration or preregistration must occur before a plaintiff can assert a valid claim. *See* 17 U.S.C. § 411(a) ("*no action* for infringement of the copyright in *any* United States work *shall be instituted* until preregistration or registration of the copyright claim has been made in accordance with this title.") (emphases added); 17 U.S.C. § 501(b) ("The legal or beneficial owner of an exclusive right under a copyright is entitled, *subject to the requirements of section 411*, to institute an action for any infringement.") (emphasis added). In other words, a copyright claim does not exist absent registration or preregistration – and the law is clear that courts lack subject matter jurisdiction over claims that Congress has specified do not yet exist. *See, e.g., Bowles*, 127 S. Ct. at 2365 ("Within constitutional bounds, Congress decides what cases the federal courts have jurisdiction to consider. Because Congress decides whether federal courts can hear cases at all, it can also determine when, and under what conditions, federal courts can hear them."). Thus, the fact that a copyright holder may possess rights prior to registration does not alter section 411(a)'s jurisdictional bar: Congress has chosen to prohibit

fundamental difference between Rule 33 and section 411(a), *Eberhart's* holding does not cast doubt on *Morris* and *Well-Made*.

For these reasons, we conclude that section 411(a)'s registration requirement is a jurisdictional prerequisite to a copyright infringement suit.[6]

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copyright holders -- and, hence, courts -- from enforcing any such rights until after that holder has filed for registration. *See Brewer-Giorgio*, 216 F.3d at 1285 ("Although a copyright need not have been registered in all cases before it may be infringed, the owner of that copyright must register the copyright before a federal court can entertain an infringement suit."); *Murray Hill Publ'ns, Inc.*, 264 F.3d at 630 n.1 (noting that although "[a]n author may have a copyright in all works of authorship regardless of whether he registers that copyright," section 411(a)'s "registration requirement . . . is a jurisdictional prerequisite to the right of the holder to enforce the copyright in federal court").

The dissent places a great deal of emphasis on the fact that section 411(a) provides that a copyright holder "is entitled to institute an action for infringement" if he properly files for registration but is refused registration by the Copyright Office. 17 U.S.C. § 411(a). But this provision only confirms that, absent proper filing for registration, copyright holders are *not* entitled to bring an action in federal court. Indeed, the last sentence of section 411(a) clarifies that the section speaks in jurisdictional terms, as opposed to addressing mere "administrative prerequisites," **Dissent at 6**, by noting that so long as a copyright holder properly files for registration, "the Register's failure to become a party shall not deprive the court of jurisdiction to determine [the issue of registrability]." 17 U.S.C. § 411(a).

[6] The dissent contends that the legislative history of Title 17 "confirms" that section 411(a) is a claim-processing rule and not a jurisdictional bar. **Dissent at 6-9**. But the legislative history cited by the dissent only confirms the undisputed fact that "registration is not a condition of *copyright protection*." 17 U.S.C. § 408(a) (emphasis added). Under the copyright laws,

II. Each Claim within the Certified Class Must Satisfy Section 411(a)'s Registration Requirement

Having established that section 411(a) imposes a jurisdictional requirement, we must decide whether each claim within the certified class must satisfy that requirement. The parties urge that jurisdiction is proper so long as the named plaintiffs' works were registered. Based upon the named plaintiffs' registrations, the parties maintain, the District

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copyright protection -- which "subsists . . . in original works of authorship fixed in any tangible medium of expression . . . ." 17 U.S.C. § 102, and generally begins at the time of a work's "creation," 17 U.S.C. § 302(a) – is entirely distinct from whether a copyright holder is permitted to institute an action in federal court. On that score, the legislative history of the Copyright Act and its amendments is crystal clear: Congress intended section 411(a) to prevent courts from hearing the claims of copyright holders who do not first file for registration. The House Report to the 1976 amendments to the Act, for example, notes that "The first sentence of section 411(a) restates the present statutory requirement that registration must be made before a suit for copyright infringement is instituted." H.R. Rep. No. 94-1476 at 157 (1976), *reprinted in* 1976 U.S.C.C.A.N. 5659, 5773. The Report goes on to note that "a copyright owner who has not registered his claim . . . cannot enforce his rights in the courts until he has made registration." *Id.* The Senate, in its consideration of the 1988 amendments to the Act, pointed out that "As a result of Section 411(a), compliance with copyright registration procedures is a statutory prerequisite to the right of an author or other copyright proprietor to seek any redress, whether by injunction, damages or both, for infringement of the work," and that without registration, "judicial enforcement of the claim to copyright cannot be obtained." S. Rep. No. 100-352 at 13-14 (1988), *reprinted in* 1988 U.S.C.C.A.N. 3706, 3718-19; *see also id.* at 19, *reprinted in* 1988 U.S.C.C.A.N. at 3724 ("[C]opyright claims in an unregistered work cannot be judicially enforced.").

Court had jurisdiction to certify a class containing thousands of claims arising from unregistered copyrights. We disagree.

Initially, we note that the class action certification device, Federal Rule of Civil Procedure 23, does not offer any alternative source of jurisdiction in the class action context. *See* 28 U.S.C. § 2072(b) (providing that the federal "rules shall not abridge, enlarge or modify any substantive right"); Fed. R. Civ. P. 82 ("These rules shall not be construed to extend or limit the jurisdiction of the United States district courts."); *Amchem Prods., Inc., v. Windsor*, 521 U.S. 591, 613 (1997). We therefore must look to the language of section 411(a), as well as any applicable case law, to determine how the registration requirement applies in the class action context. *See generally Zahn v. Int'l Paper Co.*, 414 U.S. 291, 299-301 (1973) (reasoning that whether the amount-in-controversy requirement of 28 U.S.C. § 1332(a) applies to each class member's claim depends on the language of statute), *result overruled by* 28 U.S.C. § 1367.

Again, section 411(a) provides, in relevant part, that "no action for infringement of the copyright in any United States work shall be instituted until preregistration or registration of *the copyright claim* has been made in accordance with this title." 17 U.S.C. § 411(a) (emphasis added). The question, as we see it, is whether the phrase "the copyright claim" refers to all the claims within the class or only those claims of the named plaintiffs.

On the literal level, the language is not dispositive. The phrase "the copyright claim" does

not require, or even tend toward, one reading. But case law does provide some useful guidance as to how we should interpret that phrase.

To begin with, we have applied Article III's jurisdictional requirements to each member of a class. *See Denney v. Deutsche Bank AG*, 443 F.3d 253, 264 (2d Cir. 2006) ("[N]o class may be certified that contains members lacking Article III standing."). Since statutory and constitutional jurisdictional requirements are equally binding, *see* U.S. Const. art. III, § 1; *Exxon Mobile Corp.*, 545 U.S. at 553 (noting "the bedrock principle that federal courts have no jurisdiction without statutory authorization"), the same approach should hold here.

And case law indicates that it does. In *Zahn*, the Supreme Court considered whether the diversity statute, 28 U.S.C. § 1332, requires each class member to satisfy the amount-in-controversy requirement. 414 U.S. at 301. The Court held that the phrase "matter in controversy" in § 1332(a) refers to each class member's claim and therefore requires each claim to satisfy the statute's amount-in-controversy requirement. In so holding, the Court reasoned that Rule 23 does not authorize one plaintiff to "ride on another's coattails." *Id.* at 301 (internal quotation marks omitted). In order to alter this result, Congress needed to pass, and did pass, a new statute, 28 U.S.C. § 1367, which we analyze in the next section.

Two years later, in *Weinberger v. Salfi*, 422 U.S. 749, 764 (1975), the Court addressed whether a district court properly certified a class of Social Security claimants who asserted that they had been

denied benefits wrongfully. Like the Copyright Act, the Social Security Act contains a provision limiting jurisdiction over social security claims: section 205(g) of the Social Security Act, which grants subject matter jurisdiction over only "final" decisions of the Secretary. *Id.* at 763.

In determining whether the district court had jurisdiction to certify the class in *Weinberger*, the Supreme Court applied this finality requirement to *all* the claims within the class. It concluded that the named plaintiffs' claims satisfied the finality requirement but that claims of absent class members did not. *Id.* at 764 ("As to class members, however, the complaint is deficient in that it contains no allegations that they have even filed an application with the Secretary, much less that he has rendered any decision, final or otherwise . . . . The class thus cannot satisfy the requirements for jurisdiction under [section 205(g)]."). Given this statutory jurisdictional defect, "the District Court was without jurisdiction over so much of the complaint as concerns the class, and it should have entered an appropriate order of dismissal." *Id.* *Weinberger* thus supports the proposition that when a statute imposes a jurisdictional requirement, each member of a putative class must satisfy that requirement.

Four years later, the Court reaffirmed this approach in *Califano v. Yamaski*, 442 U.S. 682 (1979). There, the Court held that section 205(g) of the Social Security Act permits social security claimants to seek relief via the class action device. But the Court carefully reiterated that each class member must meet the jurisdictional requirements of section 205(g). *Id.* at 701 (holding that claimants

could bring social security class action "at least so long as the membership of the class is limited to those who meet the requirements of § 205(g)"). Stating the proposition more generally, the Court wrote, "Where the district court has jurisdiction over the claim of each individual member of the class, Rule 23 provides a procedure by which the court may exercise that jurisdiction over the various individual claims in a single proceeding." *Id.*

We see no reason to interpret or apply the jurisdictional requirement of section 411(a) any differently. In light of these precedents, we hold that the phrase "the copyright claim" in section 411(a) refers to each claim within a purported class, and thus requires that each class member's claim arise from a registered copyright. Only when each claim satisfies that jurisdictional prerequisite may the district court utilize Rule 23 to "exercise [its] jurisdiction over the various individual claims in a single proceeding." *Id.*[7]

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[7] The dissent argues that in the context of a settlement-only class action, jurisdiction exists so long as the plaintiffs possess constitutional standing, even if other statutory jurisdictional prerequisites, such as that erected by section 411(a), are not met. This argument finds no support in the case law and runs afoul of the general rule that the class action device cannot be used to enlarge the jurisdiction of the federal courts. *See Amchem Prods., Inc.*, 521 U.S. at 613. In the RICO and mass tort contexts posited by the dissent, Congress has erected no additional statutory jurisdictional bars beyond the need for constitutional standing. *See Denney*, 443 F.3d at 266 ("RICO standing is not jurisdictional."). Thus, our holding has no effect on the ability of courts to, for example, certify a class in a mass tort action involving claims that may not yet be ripe because the issue in such cases is standing, not jurisdiction. As we have already explained, section 411(a) is an *additional* jurisdictional

III. The Supplemental Jurisdiction Statute Does Not Apply Here

Although section 411(a) deprived the District Court of jurisdiction to certify a class containing claims stemming from unregistered copyrights, the supplemental jurisdiction statute might provide an alternate source of jurisdiction. In relevant part, the statute provides as follows:

> *Except as . . . expressly provided otherwise by Federal statute*, in any civil action of which the district courts have original jurisdiction, the district courts shall have supplemental jurisdiction over all other claims that are so related to claims in the action within such original jurisdiction that they form part of the same case or controversy under Article III of the United States Constitution.

28 U.S.C. § 1367(a) (emphasis added).

In *Exxon Mobile Corp.*, the Court held that § 1367(a) confers supplemental jurisdiction in a diversity class action over state law claims that fail to satisfy § 1332(a)'s amount-in-controversy requirement, so long as (1) at least one claim satisfies that requirement and (2) all the other claims are part of the same case or controversy. 545 U.S. at 559-60. But the Court has never held that § 1367(a) confers supplemental jurisdiction over jurisdictionally-deficient *federal* claims asserted

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bar to the institution of copyright actions, and this bar cannot be ignored solely because this case is a settlement-only class action.

together with another, jurisdictionally-proper claim. *See generally Handberry v. Thompson*, 436 F.3d 52, 62 (2d Cir. 2006) ("In 28 U.S.C. § 1367(a), Congress provided federal district courts with so-called supplemental jurisdiction to decide *certain state-law claims*." (emphasis added)).

We think that the text of the statute precludes that sort of application. *See generally United States v. Gayle*, 342 F.3d 89, 92 (2d Cir. 2003) ("Statutory construction begins with the plain text and, if that text is unambiguous, it usually ends there as well."). Section 1367(a) excepts from its reach those cases in which another federal statute denies jurisdiction. 28 U.S.C. § 1367(a) (providing supplemental jurisdiction over related claims "[e]xcept as . . . expressly provided otherwise by Federal statute"); *Exxon Mobile Corp.*, 545 U.S. at 559 ("Section 1367(a) commences with the direction that . . . other relevant statutes[] may provide specific exceptions . . . ."); *see also id.* ("When the well-pleaded complaint contains at least one claim that satisfies the amount-in-controversy requirement, *and there are no other relevant jurisdictional defects*, the district court, beyond all question, has original jurisdiction over that claim." (emphasis added)). In our view, section 411(a) is a federal statute that "provide[s] otherwise" within the meaning of § 1367(a) and presents another "relevant jurisdictional defect[]" of the sort to which the Supreme Court alluded in *Exxon Mobile Corp.* After all, federal courts have exclusive jurisdiction over copyright claims, 28 U.S.C. § 1338(a), and section 411(a) bars claims based on unregistered copyrights. It would make a hash of those provisions for us to hold that § 1367(a) --

somehow – vests federal courts with jurisdiction over claims based on unregistered copyrights.

True, section 411(a) does not refer to § 1367(a). But we have held that another statute need not expressly refer to § 1367(a) to curtail its reach. *See Handberry*, 436 F.3d at 62 (holding that 18 U.S.C. § 3626(a)(1)(A) limits § 1367(a) even though the former statute makes no reference to § 1367(a)).

For these reasons, we conclude that § 1367(a) did not provide the District Court with jurisdiction over the claims arising from the alleged infringement of unregistered copyrights.

CONCLUSION

Because the District Court lacked jurisdiction to certify the class and approve the settlement agreement, we VACATE and REMAND for proceedings consistent with this opinion.

JOHN M. WALKER, JR., Circuit Judge, dissenting:

The majority insists that the copyright-registration requirement, 17 U.S.C. § 411(a), presents a "jurisdictional" bar to this class-action settlement. To be sure, in the past we have labeled the copyright-registration requirement as "jurisdictional," at least with respect to an action for damages. The Supreme Court, however, in *Eberhart v. United States*, 546 U.S. 12 (2005) (per curiam), urged us to more carefully distinguish between true jurisdictional bars and claim-processing rules that may be waived and to revisit our use of the "jurisdiction" label in that light. Following that instruction and bearing in mind the underlying

purpose of 17 U.S.C. § 411(a), as well as our recent holding that not all members of a settlement-only class need to possess a valid cause of action under the applicable law, leads me to conclude that the fact that some of the otherwise presumably valid copyrights have not been registered is an insufficient basis for undoing this class-action settlement.

In *Kontrick v. Ryan*, 540 U.S. 443 (2004), and *Eberhart*, the Supreme Court held that even "emphatic" time prescriptions in the rules of court are not necessarily "jurisdictional," *Kontrick*, 540 U.S. at 454. It explained, "[c]larity would be facilitated . . . if courts and litigants use the label 'jurisdictional' not for claim-processing rules, but only for prescriptions delineating the classes of cases (subject matter jurisdiction) and the persons (personal jurisdiction) falling within a court's adjudicatory authority." *Eberhart*, 546 U.S. at 16 (internal quotation marks omitted). Then, in *Arbaugh v. Y&H Corp.*, 546 U.S. 500 (2006), the Court applied *Eberhart* and *Kontrick* to a statute, concluding that the employee-numerosity requirement of Title VII, 42 U.S.C. § 2000e(b), *is not* jurisdictional, noting that "the 15-employee threshold appears in a separate provision that 'does not speak in jurisdictional terms or refer in any way to the jurisdiction of the district courts,'" 546 U.S. at 515. Finally, and most recently, in *Bowles v. Russell*, 127 S. Ct. 2360 (2007), the Supreme Court determined that 28 U.S.C. § 2107(a), which explicitly provides that in a civil action "no appeal shall bring any judgment . . . before a court of appeals for review unless notice of appeal is filed[] within thirty days" of entry of judgment, *is* jurisdictional. The Court

emphasized the jurisdictional significance "of the fact that a time limitation is set forth in a statute," 127 S. Ct. at 2364, and noted that § 2107(a) admits of no exception, *see id.* at 2365 (adverting to the fact that "we have treated the rule-based time limit for criminal cases differently, stating that it may be waived").

As will be explained, I think that § 411(a) is more like the employee-numerosity requirement in *Arbaugh* than it is like § 2107(a) in *Bowles*. Moreover, because Congress passed § 411(a) to *facilitate the enforcement* of copyrights, I conclude that compliance with § 411(a) is a mandatory prerequisite to the accrual of a cause of action for damages, but not a prerequisite to the possession of constitutional standing. Thus this suit falls within the ambit of our holding in *Denney v. Deutsche Bank A.G.*, 443 F.3d 253 (2d Cir. 2006), that not all members of a settlement-only class must possess a valid cause of action under the applicable law at the time of settlement.

Plaintiffs are a class of mostly freelance authors whose work has been reproduced without their consent in defendants' electronic databases. An individual infringement suit for damages requires that the plaintiff's copyright be registered; yet few members of the class hold registered copyrights in their work. Of course, should any wish to sue individually, the formality of prior registration could be met. After several years of intense negotiation, and prior to trial (and hence without registration of many of the copyrights held by class members), plaintiffs and defendants reached the comprehensive settlement that is the subject of this appeal. The

majority vacates that settlement on the basis that the district court lacked jurisdiction over the class because most of its members have not registered their copyrights. For the reasons that follow, I respectfully dissent.

I. Jurisdiction and Section 411(a)

Section 411(a) of Title 17 provides that "no action for infringement of the copyright in any United States work shall be instituted until preregistration or registration of the copyright claim has been made in accordance with this title." I turn first to the text of § 411(a) and ask whether it speaks in "jurisdictional" terms. *See Leocal v. Ashcroft*, 543 U.S. 1, 8 (2004). It does not. *See Boos v. Runyon*, 201 F.3d 178, 182 (2d Cir. 2000) ("The statutory provision allowing employees of federal agencies to sue in district court [i.e., 42 U.S.C. § 2000e-16(c)] sets forth certain prerequisites to suit. In doing so, it does *not* speak in expressly jurisdictional terms." (emphasis added)). *Compare Arbaugh*, 546 U.S. at 513 (noting that plaintiff "invoked federal-question jurisdiction under § 1331, but her case '[arose]' under a federal law, Title VII, that specifies, as a prerequisite to its application, the existence of a particular fact"), *with* **Maj. Op. at 9** ("In a copyright action, a district court initially derives its jurisdiction from two sources: 28 U.S.C. §§ 1331 and 1338.").

Section 411(a) does not, by its terms, provide the copyright holder with any of the sticks in his bundle of rights. *Cf.* 17 U.S.C. §§ 106-122 (discussing copyright holder's rights).

Indeed, it is addressed to the copyright holder, not the courts, *cf.* 28 U.S.C. § 2107(a) (speaking to the courts); *Lin Zhong v. U.S. Dep't of Justice*, 461 F.3d 101, 107 (2d Cir. 2006) (noting that 8 U.S.C. § 1252(d) stipulates that courts of appeals may review only "final order[s] of removal"), *amended and superseded by* 480 F.3d 104 (2d Cir. 2007), and it simply sets forth a prerequisite to suit -- namely, registration. Furthermore, as 17 U.S.C. § 501(b) makes clear, § 411(a) speaks not to rights but to the means of their vindication. It stipulates, "[t]he legal or beneficial owner of an exclusive right under a copyright is entitled, subject to the requirements of section 411, *to institute an action for any infringement of that particular right* committed while he or she is the owner of it." 17 U.S.C. § 501(b) (emphasis added).

As we have emphasized, the distinction between a rights-creating statute and an enforcement mechanism is an important one: we typically consider the latter a claim-processing rule within the meaning of *Eberhart*. For instance, in *Richardson v. Goord*, 347 F.3d 431 (2d Cir. 2003) (per curiam), we concluded that the exhaustion requirement of the Prison Litigation Reform Act ("PLRA") is a claim-processing rule because exhaustion is not "essential to the existence of the claim, . . . and therefore to the presence of an Article III case or controversy," *id.* at 434 (internal quotation marks and citation omitted); *see also Coleman v. Newburgh Enlarged City Sch. Dist.*, --- F.3d ---, 2007 WL 2768745, at *9 n.1 (2d Cir. Sept. 25, 2007) (Straub, J., concurring); *Boos*, 201 F.3d at 182 (holding that Title VII's exhaustion requirement is not jurisdictional and may be

waived). Similarly, registration is not essential to the existence of a copyright claim or, as is discussed below in Part II, to the presence of an Article III case or controversy. Section 411(a) provides that even if registration has been refused by the Copyright Office, "the applicant is entitled to institute an action for infringement if notice thereof, with a copy of the complaint, is served on the Register of Copyrights. . . . [T]he Register's failure to become a party shall not deprive the court of jurisdiction to determine that issue." 17 U.S.C. § 411(a). Thus, the registration requirement appears simply to be a procedural or "administrative prerequisite[]," *Boos*, 201 F.3d at 183, to ensure that the "deposit, application, and fee . . . have been delivered to the Copyright Office in proper form," 17 U.S.C. § 411(a). And failure to comply with an administrative prerequisite "would not deprive district courts of jurisdiction." *Boos*, 201 F.3d at 183. Indeed, under § 411(a), district courts' jurisdiction is not disturbed by the denial of registration or by the Register's failure, in that event, to become a party to the litigation.

Second, the legislative history of Title 17 confirms that § 411(a) does not create rights but is rather like the enforcement mechanisms or claim-processing rules in *Kontrick*, *Eberhart*, and *Arbaugh*. *See* 17 U.S.C. § 408(a) ("[R]egistration is not a condition of copyright protection."); H.R. Rep. No. 94-1476, at 152 (1976), *reprinted in* 1976 U.S.C.C.A.N. 5659, 5768 ("Except where, under section 405(a), registration is made to preserve a copyright that would otherwise be invalidated because of omission of the notice, registration is not a condition of copyright protection."); *see also id.* at 157 ("Under [§ 411(a)], a

copyright owner who has not registered his claim *can have a valid cause of action* against someone who has infringed his copyright, but he cannot *enforce* his rights in the courts until he has made registration." (emphasis added)).

Congress passed § 411(a) to implement a policy preference that courts, before they process a copyright claim, should consider the views of the Copyright Office, whose duty is to determine whether "'the material deposited constitutes copyrightable subject matter and the other legal and formal requirements of [Title 17] have been met.'" H.R. Rep. No. 94-1476, at 156. Indeed, "[t]he Copyright Office certificate of registration is prima facie evidence of the facts stated therein. This has generally been held to mean prima facie proof of ownership and validity." *Novelty Textile Mills, Inc. v. Joan Fabrics Corp.*, 558 F.2d 1090, 1092 n.1 (2d Cir. 1977) (citation omitted); *see Paul Morelli Design, Inc. v. Tiffany & Co.*, 200 F. Supp. 2d 482, 485-486 (E.D. Pa. 2002) (discussing deference due the Copyright Office); H.R. Rep. No. 94-1476, at 156-67 ("Under section 410(c), a certificate is to 'constitute prima facie evidence of the validity of the copyright and of the facts stated in the certificate.' The principle that a certificate represents prima facie evidence of copyright validity has been established in a long line of court decisions, and it is a sound one."). In this respect, § 411(a) is like other statutory exhaustion requirements, which are designed to permit agencies to pass first on contested questions, the resolution of which requires a certain quantum of expertise, and most such exhaustion requirements

are not jurisdictional.[1] *See, e.g., Lin Zhong v. U.S. Dep't of Justice*, 480 F.3d 104, 118-20 (2d Cir. 2007) (discussing the Immigration and Nationality Act and holding that the mandatory requirement of issue exhaustion in asylum cases was not a jurisdictional prerequisite to review and that failure to exhaust could be waived); *Paese v. Hartford Life Accident Ins. Co.*, 449 F.3d 435, 446 (2d Cir. 2006) (ERISA); *Boos*, 201 F.3d at 182 (Title VII); *Sellers v. M.C. Floor Crafters, Inc.*, 842 F.2d 639, 642 n.2 (2d Cir. 1988) (Labor Management Relations Act of 1947). Furthermore, because this suit was settled before trial, the views of the Copyright Office are unhelpful; the copyright registration requirement only serves its statutory purpose when a cause is litigated, not settled.

The legislative history of the Copyright Act also suggests that registration, rather than being a

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[1] In fact, the copyright-registration requirement is less stringent than the exhaustion requirement of Title VII: a copyright holder need not obtain a "right to sue" letter from the relevant administrative body. *Compare* 42 U.S.C. § 2000e-5(e)-(f), *with* 17 U.S.C. § 411(a) (noting that when "the deposit, application, and fee required for registration have been delivered to the Copyright Office in proper form and registration has been refused, the applicant is entitled to institute an action for infringement"), 2-7 *Nimmer on Copyright* § 7.16 [B][1][a][I] ("[A] party who seeks to register may proceed to litigate the claim, regardless of whether the Copyright Office ultimately issues the certificate, or by contrast denies it."), and 17 U.S.C. § 410(d) ("The effective date of a copyright registration is the day on which an application, deposit, and fee, which are later determined by the Register of Copyrights *or by a court of competent jurisdiction to be acceptable* . . . have all been received." (emphasis added)).

prerequisite to federal jurisdiction, is a prerequisite to certain remedies -- namely statutory damages and attorney's fees. *See* H.R. No. 94-1476, at 158; *see also* 17 U.S.C. § 412. Registration furthers the important policy behind copyright of disclosing works and making them part of the public domain. But because registration is not required for copyright protection, the Copyright Act provides the additional remedies of statutory damages and attorney's fees as incentives to register. *See* H.R. No. 94-1476, at 158 ("The need for section 412 arises from [the fact that] . . . [c]opyright registration for published works, which is useful and important to users and the public at large, would no longer be compulsory, and should therefore be *induced* in some practical way." (emphasis added)).

Third, § 411(a) is riddled with jurisdictionally recognized exceptions. *Cf. Bowles*, 127 S. Ct. 2365, n.4 (noting that jurisdictional requirements are seldom waivable); *Fernandez v. Chertoff*, 471 F.3d 45, 58 (2d Cir. 2006) (noting that the Title VII exhaustion requirement is not jurisdictional because it "'is subject to waiver, estoppel, and equitable tolling'" (quoting *Zipes v. Trans World Airlines, Inc.*, 455 U.S. 385, 393 (1982))); *Mosely v. Bd. of Educ.*, 434 F.3d 527, 532-33 (7th Cir. 2006). For instance, courts routinely permit plaintiffs to file suit before applying for a copyright or while the Copyright Office is considering their application. *See Apple Barrel Prods., Inc. v. Beard*, 730 F.2d 384, 387 (5th Cir. 1984) (permitting plaintiff to file suit despite the fact that the Copyright Office had yet to act on his application); *see also Positive Black Talk Inc. v. Cash Money Records Inc.*, 394 F.3d 357, 366 (5th Cir.

2004) ("The notion that the supplemental pleading cures the technical defect, notwithstanding the clear language of § 411, is consistent with the principle that technicalities should not prevent litigants from having their cases heard on the merits."); *M.G.B. Homes, Inc. v. Ameron Homes, Inc.*, 903 F.2d 1486, 1488-89 (11th Cir. 1990); *J. Racenstein & Co., Inc. v. Wallace*, No. 96 CIV. 9222, 1997 WL 605107, at *1-2 (S.D.N.Y. Oct. 1, 1997). The general exception that allows post-suit registration is particularly telling because "[i]t has long been the case that 'the jurisdiction of the court depends upon the state of things at the time of the action brought.'" *Grupo Dataflux v. Atlas Global Group*, 541 U.S. 567, 571 (2004) (quoting *Mollan v. Torrance*, 22 U.S. (9 Wheat.) 537, 539 (1824)).

Moreover, as the majority notes, several circuits have seen fit to enjoin the infringement of an unregistered copyright (after adjudication of an infringement claim properly instituted under § 411(a)). *See Perfect 10, Inc. v. Amazon.com, Inc.*, 487 F.3d 701, 710 n.1 (9th Cir. 2007); *Olan Mills Inc. v. Linn Photo Co.*, 23 F.3d 1345, 1349 (8th Cir. 1994); *Pac. & S. Co., Inc. v. Duncan*, 744 F.2d 1490, 1499 & n.17 (11th Cir. 1984). These circuits have reasoned that, by the very language of 17 U.S.C. § 502(a), "[t]he power to grant injunctive relief is not limited to registered copyrights, or even to those copyrights which give rise to an infringement action." *Olan Mills*, 23 F.3d at 1349; *see also* 17 U.S.C. § 502(a) (providing that a court may "grant temporary and final injunctions on such terms as it may deem reasonable to prevent or restrain infringement of a copyright" (emphasis added)); *Perfect 10, Inc.*, 487

F.3d at 710 n.1 ("[T]he Copyright Act gives courts broad authority to issue injunctive relief."); *Pac. & S. Co., Inc.*, 744 F.2d at 1499 n.17. Permitting district courts to enjoin the infringement of unregistered copyrights is not only consistent with § 502(a), but also gives meaning to § 408(a)'s provision that "registration is not a condition of copyright protection," and to the congressional policy of making available the *additional* remedies of statutory damages and attorney's fees to those who register. *Cf. Walker Mfg., Inc. v. Hoffman, Inc.*, 220 F. Supp. 2d 1024, 1039 (N.D. Iowa 2002) ("Where the owner of an unregistered copyright seeks injunctive relief, as opposed to statutory damages, the Eighth Circuit Court of Appeals has held such an action is viable even in the absence of copyright registration.").

Finally, it is evident that § 411(a) is not a definitive limitation on the court's power, characteristic of a jurisdictional provision, from § 411(a)'s explicit exception of foreign works from its reach. *See* 17 U.S.C. § 411(a) (discussing "United States work[s]"). The history of this exception further counsels concluding that § 411(a), unlike jurisdictional provisions, is not meant to be inflexible. In discussing possible ways to amend the Copyright Act to bring it into compliance with the Berne Convention,[2] the Senate Judiciary Committee argued that because

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[2] Convention for the Protection of Literary and Artistic Works, Sept. 9, 1886 (Paris Text 1971), S. Treaty Doc. No. 99-27 (1986).

> [r]egistration . . . [while] not, technically speaking, a condition for the existence of copyright, ... is, however, a precondition for the exercise of any of the . . . rights conferred by copyright, . . . [the] metaphysical distinction between the existence of a right to prevent unauthorized use of a copyrighted work, and the exercise of that right, [should not be] maintain[ed].

S. Rep. No. 100-352, at 16-17 (1988), *reprinted in* 1988 U.S.C.C.A.N. 3706, 3721-22. Although the House did not endorse the Senate's view, Congress as a whole was able to reach consensus on an amendment to the Act only because it deemed § 411(a) a "formality," and the Berne Convention did not forbid signatories from "'impos[ing] [formalities] . . . on works first published in its own territory.'" *La Resolana Architects, PA v. Clay Realtors Angel Fire*, 416 F.3d 1195, 1206 & n.11 (10th Cir. 2005).

Taken together, § 411(a)'s language, legislative history, jurisdictional exceptions, and exception for foreign works strongly indicate that the registration requirement is more akin to a claim-processing rule than a jurisdictional prerequisite.

II. Constitutional Standing in the Class-Action Context and Section 411(a)

This appeal concerns the pre-trial settlement of a class action. Whether or not § 411(a) is a claim-processing rule, compliance with its requirements is not necessary for a copyright plaintiff to have constitutional standing. Indeed, as the Seventh

Circuit has aptly explained, it is hard to see how the filing of an administrative claim could ever be the prerequisite to asserting constitutional injury. *See Perez v. Wis. Dep't of Corr.*, 182 F.3d 532, 536 (7th Cir. 1999) (explaining under the Prison Litigation Reform Act that "Perez was injured (if at all) by deficiencies in medical treatment; an administrative claim is not essential to a case or controversy").

And, in the class-action context, there is a distinction between constitutional standing, which is always required, and statutory standing, which is not required of all members of a settlement-only class. *See In re Lorazepam & Clorazepate Antitrust Litig.*, 289 F.3d 98, 107-08 (D.C. Cir. 2002) (holding in an antitrust class action that "[u]nlike constitutional standing, this court's jurisdiction does not turn on antitrust standing"). *Compare Denney*, 443 F.3d at 264 (noting that all members of a settlement-only class must have constitutional standing), *with id.* at 265 ("The future-risk members of the *Denney* class have suffered injuries-in-fact, irrespective of whether their injuries are sufficient to sustain any cause of action.").[3] For instance, in *Lerner v. Fleet Bank, N.A.*, 318 F.3d 113 (2d Cir. 2003), a RICO class action, we held that RICO standing was not "jurisdictional," at least in the class-action context. We explained that "plaintiffs' lack of statutory standing does not divest the district court of original jurisdiction over the . . . action." *Id.* at 130. And we went on to conclude that the district

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[3] I thus disagree with the majority that all members of a settlement-only class must possess both constitutional and statutory standing. *Cf.* **Maj. Op. at 17.**

court could exercise supplemental jurisdiction over plaintiffs' state-law claims despite the fact that certain members of the plaintiff class lacked RICO standing. *Id.* at 125-26 (noting that if plaintiffs' lack of RICO standing did erect a jurisdictional bar to their RICO claims, "the district court did not have 'original jurisdiction' over the action because the RICO claim was the only federal claim and, for the . . . plaintiffs, the only basis for subject matter jurisdiction"). We emphasized that RICO standing was "sufficiently intertwined with the merits," *Lerner*, 318 F.3d at 128, and thus not jurisdictional.

Drawing such a distinction between constitutional standing, the absence of which deprives the court of authority to redress harm to that plaintiff, and statutory standing, the absence of which may be waived, makes particular sense in the settlement context. We have, for example, approved the settlement of mass-tort lawsuits involving plaintiffs who have been exposed to toxic substances and therefore run the risk of incurring actionable injuries at some point in the future -- but who, while they may have constitutional standing, surely could not survive a motion to dismiss for failure to state a claim were they to bring their case to trial. *See, e.g.*, *In re Agent Orange Prod. Liab. Litig.*, 996 F.2d 1425 (2d Cir. 1993). And I am not disposed to undo such settlements because certain class members may not, at the moment of settlement, possess the statutory cause of action that they could have in the future and could then litigate. *Cf.* H.R. Rep. No. 94-1476 ("[A] copyright owner who has not registered his claim can have a valid cause of action against someone who has

infringed his copyright, but he cannot enforce his rights in the courts until he has made registration.").

A plaintiff alleging copyright infringement must show ownership of a valid copyright and copying by the defendant, *Warner Bros. Inc. v. Am. Broad. Cos.*, 654 F.2d 204, 207 (2d Cir. 1981); the registration requirement, and resulting opinion of the Copyright Office, bear upon the validity of the copyright and its ownership and thus "go[] to the merits of the action," *cf. Lerner*, 318 F.3d at 1_9. But a plaintiff alleging copyright infringement has suffered an injury-in-fact whether or not he has registered his copyright. As the Eighth Circuit has explained, "infringement itself is not conditioned upon registration of the copyright." *Olan Mills*, 23 F.3d at 1349. Thus, all members of the plaintiff class -- whether or not they have registered their copyrights -- have been *injured* by defendants if we assume the truth of plaintiffs' allegations.

The other two requirements of Article III standing -- an injury that is traceable to the challenged action and redressable by a favorable decision -- are also satisfied in this case. *See, e.g., Denney*, 443 F.3d at 263, 266. Plaintiffs' injuries are a direct result of defendants' infringement and would be redressed by an award of damages for their economic losses. Plaintiffs therefore have standing in the constitutional sense.

Finally, as I noted in Part I, claim-processing rules are not essential to the presence of an Article III case or controversy, *Richardson*, 347 F.3d at 434. That plaintiffs have established an Article III case or controversy regardless of whether they have

registered is further support for the conclusion that § 411(a)'s registration requirement is a claim-processing rule rather than a jurisdictional prerequisite, and that plaintiffs' settlement should not be disturbed.

III. *Well-Made Toy*, *Morris*, and *Weinberger* Are Distinguishable

In concluding that § 411(a) is "jurisdictional," the majority relies on two decisions of our court -- *Well-Made Toy Manufacturing Corp. v. Goffa International Corp.*, 354 F.3d 112 (2d Cir. 2003), and *Morris v. Business Concepts*, Inc., 259 F.3d 65 (2d Cir. 2001) -- that attach the "jurisdictional" label to § 411(a). I have already sought to explain why we should reconsider our too-facile use of the jurisdictional label in the wake of *Eberhart*.[4] *Cf. Coleman*, 503 F.3d 198, 2007 WL 2768745, at *4 ("Recently, . . . the Supreme Court has admonished lower courts to more carefully distinguish between jurisdictional rules and mandatory claims-processing rules."). I now explain why those cases, in any event, offer only equivocal support.

The plaintiff in *Well-Made Toy*, for instance, manufactured two similar rag dolls, differing principally in their size. Although it registered a

[4] I note in passing that although in *Moore v. PaineWebber, Inc.*, 189 F.3d 165, 169 n.3 (2d Cir. 1999), we "suggested in dictum that RICO's causation requirement raises a jurisdictional issue," *Lerner*, 318 F.3d at 128 (discussing *Moore*), the author of the majority opinion in the instant case recently joined *Lerner*, which dismissed that suggestion and held that "'RICO standing' . . . is not jurisdictional in nature." *id.* at 129 (Sotomayor, J., joined by Straub & Goldberg, JJ.).

copyright in only the smaller of the two dolls, 354 F.3d at 114, Well-Made Toy sought damages from the defendant based on the defendant's alleged reproduction of the larger of the two dolls. In concluding that Well-Made Toy could not maintain such a suit, we distinguished *Streetwise Maps, Inc. v. VanDam, Inc.*, 159 F.3d 739 (2d Cir. 1998). In *Streetwise Maps*, while the plaintiff had registered a copyright in only the second of two maps it published (as in *Well-Made Toy*), the second map incorporated the substance of the first map (unlike the dolls in *Well-Made Toy*); and thus, we concluded, the "registration certificate [for the second map]. . . suffice[d] to permit [the plaintiff] to maintain an action for infringement based on defendants' infringement [of its unregistered copyright in the first map]." *Id.* at 747. The difference between *Well-Made Toy* and *Streetwise Maps* was a matter of logic, not locution: "Because a derivative work is cumulative of the earlier work, it is *logical* that the registration of the derivative work would relate back to include the original work, while registration of the original material would not carry forward to new, derivative material." *Murray Hill Publ'ns v. ABC Comme'ns, Inc.*, 264 F.3d 622, 632 (6th Cir. 2001) (emphasis added), *cited in Well-Made Toy*, 354 F.3d at 116.

Morris v. Business Concepts, Inc. is equally unhelpful to the majority. In that case, while we did say that "subject matter jurisdiction was lacking because the registration requirement of § 411(a) was not satisfied," 259 F.3d at 72, we also asserted, without mentioning "jurisdiction," that "proper registration is a prerequisite to an action for

infringement," *id.* at 68 (*citing Whimsicality, Inc. v. Rubie's Costume Co.*, 891 F.2d 452, 453 (2d Cir. 1989)). Thus, *Morris* is hardly a beacon of clarity. *Cf. Paese*, 449 F.3d at 443 (discussing the opacity of the court's precedent respecting exhaustion under ERISA).

The majority likewise relies upon *Weinberger v. Salfi*, 422 U.S. 749 (1975), to support its contention that each member of a settlement-only class must satisfy the "jurisdictional" requisites to a suit under the Copyright Act -- including, as it so happens, § 411(a). But the majority misses the point: *Weinberger* supports the conclusion that the essential question is whether compliance with a statutory exhaustion requirement is necessary for plaintiffs to have constitutional standing. And, indeed, in *Weinberger* it was. *See Perez*, 182 F.3d at 535-36 (discussing *Weinberger* and noting that waiting too long to sue "can be a jurisdictional shortcoming, if the step omitted before suit is essential to . . . the presence of an Article III case or controversy"); *see also Richardson*, 347 F.3d at 434. *Weinberger* involved 42 U.S.C. § 405(g), a provision of the Social Security Act that channels social security and medicare claims through an administrative process and precludes federal courts from exercising general federal question jurisdiction over such claims. The Court explained, "it is the Social Security Act which provides both the *standing* and the substantive basis for the presentation of th[e] constitutional contentions." *Weinberger*, 422 U.S. at 760-61 (emphasis added); *see also Shalala v. Ill. Council on Long Term Care, Inc.*, 529 U.S. 1, 12 (2000) ("[T]he bar of § 405(h) reaches beyond

ordinary administrative law principles of 'ripeness' and 'exhaustion of administrative remedies.'"); *Heckler v. Ringer*, 466 U.S. 602, 615 (1984) (holding that the bar to the exercise of federal question jurisdiction applied only when "both the *standing* and the substantive basis for the presentation" of a claim was the Medicare Act (emphasis added)). But, as I have already explained, in this case, constitutional injury does not depend upon compliance with § 411(a): whether or not they have registered their copyrights, all members of the class in this case have suffered sufficient injury to satisfy Article III.

For the foregoing reasons, I would not dismiss the settlement on jurisdictional grounds.[5] I respectfully dissent.

---

[5] On the merits, the failure to create a sub-class consisting of those members holding primarily "C-class" claims, and separate representation for those members, is a serious problem in my view, because the named representatives hold more "A-class" and "B-class" claims than most class members, and thus have an incentive to favor holders of A- and B-class claims over holders of primarily C-class claims. *Cf. United Ind. Flight Officers, Inc. v. United Air Lines, Inc.*, 756 F.2d 1274, 1284 (7th Cir. 1985) ("No named plaintiff is a member of subclass 2 alone.") (emphasis added); *Bogosian v. Gulf Oil Corp.*, 561 F.2d 434, 449 (3d Cir. 1977). Objectors point out that such favoritism may have occurred -- as the so-called "C-reduction," *see* Maj. Op. at 7, ensures that C-class claim holders are paid little or perhaps nothing. Nevertheless, the majority's conclusion today reduces the value of unregistered copyright claims to zero, rendering the merits of the settlement a moot point.

B. Letter of the Second Circuit Requesting Briefing on Subject Matter Jurisdiction

UNITED STATES COURT OF APPEALS
FOR THE
SECOND CIRCUIT

At a stated term of the United States Court of Appeals for the Second Circuit, held at the Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, in the City of New York, on the 15th day of April two thousand and eight.

Docket No.: 05-5943-cv

Irvin Muchnick, Abraham Zaleznik, Charles Schwartz, Jack Sands, Todd Pitock, Judith Stacey, Judith Trotsky, Christopher Goodrich, Kathy Glicken and Anita Bartholomew,

Objectors-Appellants,

v.

Thomson Corporation, Dialog Corporation, Gale Group, Inc., West Publishing Company, Inc., Dow Jones & Company, Inc., Dow Jones Reuters Business Interactive, LLC, Knight Ridder Inc., Knight Ridder Digital, Mediastream, Inc., NewsBank, Inc., ProQuest Company, Reed Elsevier Inc., Union-Tribune Publishing Company, New York Times Company, Copley Press, Inc., EBSCO Industries, Inc. and Participating Publisher Tribune Company,

Defendants-Appellees,

v.

Michael Castleman Inc., E.L. Doctorow, Tom Dunkel, Andrea Dworkin, Jay Feldman, James Gleick,

Ronald Hayman, Robert Lacey, Ruth Laney, Paula McDonald, P/K Associates, Inc., Letty Cottin Pogrebin, Gerald Posner, Miriam Raftery, Ronald M. Schwartz, Mary Sherman, Donald Spoto, Robert E. Treuhaft and Jessica L. Treuhaft Trust, Robin Vaughan, Robley Wilson, Marie Winn, National Writers Union, The Authors Guild, Inc. and American Society of Journalists and Authors,

Plaintiffs-Appellees,

v.

Edward Roeder,

Appellant.

It is hereby ORDERED that on or before February 16, 2007, counsel for appellants and appellees shall file with the Clerk of Court their respective letter briefs, not to exceed ten (10) pages, addressing the issue of whether the District Court had subject matter jurisdiction over claims concerning the infringement of unregistered copyrights. *See* 17 U.S.C. § 411(a); *Well-Made Toy Mfg. Corp. v. Goffa Int'l Corp.*, 354 F.3d 112, 115 (2d Cir. 2003) ("This registration requirement is jurisdictional."); *see also generally Exxon Mobile Corp. v. Allapattah Servs., Inc.*, 545 U.S. 546 (2005); *Amchem Prods. v. Windsor*, 521 U.S. 591, 612-13 (1997).

For the Court:

/s Thomas Asreen

THOMAS ASREEN,
ACTING CLERK OF
COURT

C. Hearing Transcript of the Southern District of New York

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

---------- x

IN RE: LITERARY WORKS 01 Civ. 6032 (GBD)

---------- x

September 27, 2005
11:20 a.m.

Before:

HON. GEORGE B. DANIELS
District Judge

APPEARANCES [omitted]

THE COURT: Before I address the motion for final approval of the settlement, there are some other motions that have been made. I want to address those motions first.

Then I am willing to hear further to the extent it is necessary with regard to the objections. I have reviewed all the objections. I don't want to be repetitive about it, but if there's anything else that any party who is here to be heard or any lawyer who already submitted papers feels should be addressed more specifically before we address the motion, then I will hear that. We will have further discussion.

* * * *

THE COURT: All right.

I have received and thoroughly reviewed the objections made to the settlement that were made in

writing, those objections that were further heard today at today's hearing.

I have thoroughly reviewed the settlement agreement as amended. I find that, despite the objections, it is appropriate, and the correct thing to do is to give final approval at this point to the settlement agreement.

I find that the settlement agreement is approved is fair, reasonable, adequate, and in the best interests of the class. I find that the settlement on this record, which is a very thorough record which has been prepared, which airs all issues relevant to the settlement, is fair, adequate, and reasonable and not a product of collusion.

I've considered thoroughly and examined the negotiating process leading up to the settlement as well as the settlement's substantive terms. I have considered the substantive terms of the settlement as compared to other likely results that could be obtained at trial and the cost and efforts to that otherwise have to be further expended in that regard.

I find that this settlement agreement is the product of very aggressive and thorough examination, negotiation, and debate among the parties.

I find that the only conclusion the evidence supports with regard to the negotiating process is that both sides aggressively fought for the best interests of their clients and that both sides have made a reasonable determination that a settlement of this action on these terms is the most appropriate course of action, given all other alternatives considered.

The objections that I have considered prior to today submitted to me in writing and the objections that I have considered today do not warrant either a further delay or not granting approval to the terms of this settlement.

In any significant litigation with numerous parties and complicated issues, not all parties involved in the litigation will be satisfied with its result. Those individuals who have expressed their concerns about their interests not being adequately addressed to their satisfaction have been considered.

I believe the record indicates that those individuals who have expressed that dissatisfaction are overwhelmingly outnumbered by the majority of plaintiffs in this case, who believe that this is a fair, adequate, appropriate settlement which ensures recovery to some extent to all class members involved. It also significantly provides recovery for plaintiff class members who, one, would not otherwise have the motivation or resources to pursue recovery on their own, and, further, provides recovery to an extent for those who may not even otherwise have a basis for the type of recovery that is provided here.

I believe that in considering the process itself that the process of the mediation was complicated, extensive, and hard fought; that the mediators involved in this case have demonstrated nothing other than the highest quality of mediation services, providing guidance to the parties and providing an opportunity to the parties who may not only consider what are reasonable alternatives but to satisfy themselves that they were making an informed

judgment with regard to an appropriate settlement in this case.

The notice provided in this case was more than reasonable. In the voluminous papers that I have received, quite frankly there was no indication at all, although there may be indications of individuals who communicated that they did not individually receive or they were not individually aware of certain provisions or information, there's been no legitimate attack on the extent of the notice that went out in this case. I think that nothing more reasonable could have been anticipated in terms of the issues that needed to be confronted and reaching out to all of those individuals, class members and defendants alike, in order to attempt to facilitate the process of the most appropriate global settlement of those issues. There is no significant deficiency in the notice, the terms or the procedure that would warrant not approving this settlement.

Many of the objections raised or made are hypothetical. Many of them are purely speculative, and many are simply invalid objections, inconsistent with the evidence and record that goes along with this negotiating process and the substance and terms of the settlement agreement. I, therefore, will certify the class as preliminarily certified in the preliminary approval order.

I will approve the settlement, and I will retain jurisdiction with regard to any issues of interpretation, effectuation, implementation of the settlement agreement, including any of its enforcement terms. I will also approve the attorneys'

fees and reimbursement to class counsel in an amount as indicated in the preliminary approval.

I will, however, resolve separately the individual dispute regarding the allocation of those attorneys' fees and expenses upon hearing from the lawyers involved and resolving independently those issues that still romaine to be resolved.

I will set a date in the next few weeks to resolve those issues, but I believe those are separate issues and can be resolved independent of approval of the settlement terms. They do not affect the settlement terms between the parties, given the designated amount, which I determine to be a reasonable amount in relationship to the award and potential payment to the class members.

I find that that amount is a reasonable amount for attorneys' fees and expenses, and its specific allocation among class counsel is an issue that can be resolved after today's date. Also I approval the special fee award to representative plaintiffs as negotiated in the amount of $2,000 each.

At this point the court grants approval to the settlement agreement and its terms. I will execute and file the proposed order to that effect that has been presented to the court, and I will set a time to resolve and discuss the allocation of the designated attorneys' fees so that issue can be quickly resolved during the relevant process that will continue under the court's jurisdiction.

* * * *

(Adjourned)

D. Order of the Southern District of New York

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

IN RE LITERARY WORKS IN ELECTRONIC DATABASES COPYRIGHT LITIGATION	)	MDL No. 1379

ORDER FOR FINAL APPROVAL OF SETTLEMENT AND FINAL JUDGMENT

This matter is before the Court pursuant to the motion of plaintiffs in the above-captioned class action (the "Action") for final approval of settlement with defendants The Dialog Corporation, Dow Jones & Company, Inc., Dow Jones Reuters Business Interactive, LLC, d/b/a Factiva, EBSCO Industries, Inc., The Gale Group Inc., Knight Ridder, Inc., Knight Ridder Digital, Mediastream, Inc., NewsBank, The New York Times Company, ProQuest Company, ProQuest Information and Learning Company, Reed Elsevier Inc., The Thomson Corporation, The Copley Press, Inc., and West Publishing Corporation d/b/a West Group (collectively, "defendants"), and with the non-parties Listed in Exhibit A of the Settlement Agreement ("Participating Publishers"). (Defendants and the Participating Publishers shall be referred to collectively herein as the "Defense Group.")

Plaintiffs have moved for an Order approving the settlement of the Action in accordance with a Settlement Agreement dated March 21, 2005

between plaintiffs and the Defense Group (the "Settlement Agreement"). Having read and considered the Settlement Agreement of the parties and having held a hearing on the fairness of the proposed settlement, at which objectors to the settlement could appear, and based upon familiarity with the files and proceedings in this manner, the Court finds that:

1. The Court preliminarily approved the Settlement Agreement by Order of March 31, 2005 (the "Preliminary Approval Order"), and preliminarily approved the Amendment to the Settlement Agreement on July 28, 2005 ("Supplemental Preliminary Approval Order").

2. Notice of the proposed settlement has been timely disseminated in accordance with the terms of the Preliminary Approval Order and Supplemental Preliminary Approval Order, which approved the proposed settlement and authorized such notice. Such notice is the best practicable notice to be provided and satisfies the requirements of Rule 23 of the Federal Rules of Civil Procedure.

3. The issues as to liability and remedies in the Action are issues as to which there are substantial grounds for difference of opinion, and the proposed settlement of the Action constitutes a resolution of those issues that is fair, reasonable and adequate to the members of the Class certified herein.

Accordingly, it is hereby

ORDERED as follows:

4. The Settlement Agreement is approved as fair, reasonable, and adequate pursuant to Rule 23 of the Federal Rules of Civil Procedure and in the best interest of the Class, and the parties are directed to consummate the Settlement Agreement in accordance with its terms.

5. The following Class (the "Class"), provisionally certified in the Preliminary Approval Order, is now finally certified for purposes of this settlement only:

> All persons who, individually or jointly, own a copyright under the United States copyright laws in an English language literary work that has been reproduced, displayed, adapted, licensed, sold and/or distributed in any electronic or digital format, without the person's express authorization by a member of the Defense Group or any member's subsidiaries, affiliates, or licensees (a) at any time on or after August 15, 1997 (regardless of when the work first appeared in an electronic database) or (b) that remained in circulation after August 15, 1997, even if licensed prior thereto, including English language works qualifying for U.S. copyright protection under an international treaty (hereinafter "Subject Work"). Notwithstanding anything in the immediately preceding sentence to the contrary, a copyrighted work created prior to January 1, 1978, is a Subject Work only if it (a) has been electronically or digitally reproduced, displayed, adapted, licensed, sold and/or distributed by a Participating Publisher without the person's express authorization.

and (b) is from a publication whose pre-1978 works have not been excluded from this settlement, as indicated on Exhibit A. Included in the Class are all copyright owners of Subject Works who, after June 25, 2001, responded to The New York Times Company's Restoration Request website or print advertisements.

The Court finds that (a) the Class is so numerous that joinder of all members is impracticable; (b) there are questions of law and fact common to the Class; (c) claims of the Representative Plaintiffs are typical of the claims of all members of the Class; (d) the Representative Plaintiffs have fairly and adequately protected and will fairly and adequately protect the interests of the Class; (e) common questions of law and fact predominate over questions affecting only individual members of the Class, and a class action is superior to other available methods for the fair and efficient adjudication of this controversy.

6. The Action is hereby dismissed, with prejudice and without costs.

7. The releases contained in the Settlement Agreement are hereby effective, with the following provision: No claims shall be released with respect to works published in scientific or research-based medical journals.

8. There is no just reason for delay and the judgment of dismissal with prejudice as to defendants shall be final.

9. The Settlement Agreement and any proceedings taken pursuant thereto are not, and should not in any event be: (a) offered or received as evidence of a presumption, concession or admission by any Released Party of any fact or matter; or (b) offered or received as evidence of a presumption, concession or admission of any liability, fault, wrongdoing or other dereliction of duty, or (except with written consent of the Released Party) in any way referred to for any reason in the Action, or in any other civil, criminal, bankruptcy, or administrative action or proceeding; provided, however, that reference may be made to the Settlement Agreement in such proceedings as may be necessary to effectuate the provisions of the Settlement Agreement.

10. Consummation of the Settlement shall proceed as described in the Settlement Agreement, and the Court hereby reserves jurisdiction over the subject matter and as to each party to the Settlement Agreement with respect to the interpretation, effectuation, and implementation of the Settlement Agreement for all purposes, including enforcement of any of the terms hereof at the instance of any party and resolution of any disputes that may arise relating in any way to, or arising from, the implementation of the Settlement Agreement or the implementation of this Order.

11. Attached hereto is a list of persons who timely excluded themselves from the Settlement. Those persons are not bound by any terms in this Order. [Omitted from Petition Appendix]

12. Attorneys' fees and reimbursement of expenses to Class Counsel in the total amount of $4.4 million are hereby approved and awarded.

13. A special fee award to the Representative Plaintiffs, in the amount of $2,000 each, is hereby approved and awarded.

14. Pursuant to the terms hereof, final judgment shall be entered as provided herein.

DATED this 27th day of September, 2005.

/s/ George M. Daniels
Honorable George M. Daniels,
United States District Judge

E. Order of the Second Circuit Denying Petition for Rehearing, or in the Alternative, Rehearing *En Banc*

UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT
THURGOOD MARSHALL U.S. COURT HOUSE
40 FOLEY SQUARE, NEW YORK, N.Y. 10007

Catherine O'Hagan Wolfe
CLERK OF COURT

At a stated term of the United States Court of Appeals for the Second Circuit, held at the Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, in the City of New York, on the 15th day of April two thousand and eight.

Irvin Muchnick, Abraham Zaleznik, Charles Schwartz, Jack Sands, Todd Pitock, Judith Stacey, Judith Trotsky, Christopher Goodrich, Kathy Glicken and Anita Bartholomew,

Objectors-Appellants,

ORDER

No. 05-5943-cv

v

Thomson Corporation, Dialog Corporation, Gale Group, Inc., West Publishing Company, Inc., Dow Jones & Company, Inc., Dow Jones Reuters Business Interactive, LLC, Knight Ridder Inc., Knight Ridder Digital, Mediastream, Inc., NewsBank, Inc., ProQuest Company, Reed Elsevier Inc., Union-Tribune Publishing Company, New York Times

Company, Copley Press, Inc., EBSCO Industries, Inc. and Participating Publisher Tribune Company,

Defendants-Appellees,

Michael Castleman Inc., E.L. Doctorow, Tom Dunkel, Andrea Dworkin, Jay Feldman, James Gleick, Ronald Hayman, Robert Lacey, Ruth Laney, Paula McDonald, P/K Associates, Inc., Letty Cottin Pogrebin, Gerald Posner, Miriam Raftery, Ronald M. Schwartz, Mary Sherman, Donald Spoto, Robert E. Treuhaft and Jessica L. Treuhaft Trust, Robin Vaughan, Robley Wilson, Marie Winn, National Writers Union, The Authors Guild, Inc. and American Society of Journalists and Authors,

Plaintiffs-Appellees,

Edward Roeder,

Appellant.

Appellee Reed Elsvier Inc., Appellee Participating Publisher Tribune Company, Appellee New York Times Company, et al having filed a petition for panel rehearing, or, in the alternative, for rehearing *en banc*, and the panel that determined the appeal having considered the request for panel rehearing, and the active members of the Court having considered the request for rehearing *en banc*,

IT IS HEREBY ORDERED that the petition is denied.

For the Court:
Catherine O'Hagan Wolfe,
Clerk

By: /s Frank Perez
Frank Perez, Deputy Clerk

F. Letter from the Supreme Court of the United States Extending the Time to File a Petition for a Writ of Certiorari to August 13, 2008

Supreme Court of the United States
Office of the Clerk
Washington, DC 20543-0001

William K. Suter
Clerk of the Court
(202) 479-3011

June 9, 2008

Mr. Charles S Sims, Sr.
Proskauer Rose LLP
1585 Broadway
New York, NY 10036-8299

Re: Reed Elsevier, Inc., et al.
v. Irvin Muchnick, et al.
Application No. 07A967

Dear Mr. Sims:

The application for an extension of time within which to file a petition for a writ of certiorari in the above-entitled case has been presented to Justice Ginsburg, who on June 9, 2008 extended the time to and including August 13, 2008.

This letter has been sent to those designated on the attached notification list.

Sincerely,

William K. Suter, Clerk

by: /s Sandy Spagnolo

Sandy Spagnolo
Case Analyst

Supreme Court of the United States
Office of the Clerk
Washington, DC 20543-0001

William K. Suter
Clerk of the Court
(202) 479-3011

NOTIFICATION LIST

Mr. Charles S Sims, Sr.
Proskauer Rose LLP
1585 Broadway
New York, NY 10036-8299

Clerk
United States Court of Appeals for the Second Circuit
1702 US Courthouse, Foley Sq.
New York, NY 10007

REPLY BRIEF

110

(4)

No. 08-103

Supreme Court, U.S.
FILED
OCT 28 2008
OFFICE OF THE CLERK

IN THE

Supreme Court of the United States

REED ELSEVIER INC., *et al.*,

Petitioners,

v.

LETTIE COTTON POGREBIN, *et al.*,

Respondents,

IRVIN MUCHNICK, *et al.*,

Respondents.

On Petition For Writ of Certiorari to the United States Court of Appeals for the Second Circuit

REPLY BRIEF FOR PETITIONERS

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RULE 29.6 STATEMENT

The corporate disclosure statement included in the petition for a writ of certiorari remains accurate.

TABLE OF CONTENTS

RULE 29.6 STATEMENT i

TABLE OF AUTHORITIES iii

REPLY BRIEF FOR PETITIONERS 1

I. No Purpose Will Be Served By Waiting For Other Lower Courts To Address The Issue 1

II. The Second Circuit's Decision Is In Conflict With The Precedents Of This Court, Sister Circuits, and The Second Circuit itself 3

III. The Decision Below Has Profound Implications For The Parties and Future Litigants 6

CONCLUSION 9

TABLE OF AUTHORITIES

CASES

In re Corrugated Container Antitrust Litig.,
643 F.2d 195 (5th Cir. 1981) 4

In re Prudential Ins. Co. of Am. Sales Practice Litig.,
261 F.3d 355 (3d Cir. 2001) 4, 5

Lexecon, Inc. v. Milberg Weiss Bershad Hynes & Lerach,
523 U.S. 26 (1998) 3

Matsushita v. Epstein,
516 U.S. 367 (1996) 3

New York Times Co. v. Tasini,
533 U.S. 483 (2001) 6

Olan Mills, Inc. v. Linn Photo Co.,
23 F.3d 1345 (8th Cir. 1994) 5

Pac. & S. Co., Inc. v. Duncan,
744 F.2d 1490 (11th Cir. 1984) 5

Perfect 10 v. Amazon.com,
508 F.3d 1146 (9th Cir. 2007) 4, 5

TBK Partners, Ltd. v. W. Union Corp.,
675 F.2d 456 (2d Cir. 1982) 5

RULES

Supreme Court Rule 14(1)(a) 1

OTHER AUTHORITIES

Scott Carlson, *Once-Trustworthy Newspaper Databases Have Become Unreliable and Frustrating*, The Chronicle of Higher Education A29 (Jan. 25, 2002), available at http://chronicle.com/free/v48/i20/20a02901.htm.....2

REPLY BRIEF FOR PETITIONERS

The reasons for granting review, as requested by not only petitioners but also plaintiffs-respondents and objectors-respondents,[1] are simple and compelling. First, no purpose will be served by waiting for further cases to percolate through the courts of appeals. This suit resulted in an industry-wide national settlement, and if the panel's ruling stands the opportunity for a comprehensive settlement and resolution of this question will be irretrievably lost. Second, the panel's decision is in conflict with prior decisions of this Court, other circuits, and prior Second Circuit decisions. Third, the petition presents an issue about settlement power that is highly important to courts and litigants generally; is of particular importance to the database and newspaper and magazine industries and the nation's freelance authors; and, if left unresolved, will render incomplete the electronic databases used by millions.

I. No Purpose Will Be Served By Waiting For Other Lower Courts To Address The Issue

The instant suit represents a comprehensive settlement reached by database operators, news-

[1] To the extent that the Objectors' reply attempts to reformulate the questions presented, this attempt is improper under this Court's rules without the filing of a cross-petition for certiorari. Supreme Court Rule 14(1)(a). The petition fully presents all the issues that the Court need decide.

paper and magazine publishers, insurers and freelance authors (supported by national authors' rights trade organizations) after four years of mediation. After that settlement was reached by the parties and approved by the District Court, the Second Circuit overturned the settlement and ruled in error that courts lack subject matter jurisdiction to approve any settlement that includes a release of copyright infringement claims for unregistered works. The court's sole rationale, erroneous as a matter of law, was that the register-before-instituting-suit provision of the Copyright Act, 17 U.S.C. § 411(a), forecloses courts from approving settlements providing for compensation for unregistered works. If the panel's decision is left intact, there will be no incentive or realistic possibility for either the databases and publishers, or the putative class members, to pursue another such settlement, because the *sine qua non* of any settlement — class-wide releases of claims that can be asserted (and the overwhelming bulk of outstanding claims are for unregistered works) — will have been placed beyond reach. The practical result will be that the putative class members (authors of both registered and unregistered works alike) will remain uncompensated and many of the nation's leading online archival databases will remain permanently degraded. *See* Scott Carlson, *Once-Trustworthy Newspaper Databases Have Become Unreliable and Frustrating*, The Chronicle of Higher Education A29 (Jan. 25, 2002) ("Supreme Court decision led publishers to purge much archival material, to the dismay of scholars."), available at http://chronicle.com/free/v48/i20/20a02901.htm.

The central legal question, whether 17 U.S.C. § 411(a) bars a court from approving a settlement that extends relief to authors in respect of unregistered copyrights, may not be before this Court again for some time. When and if this issue arises again, it will certainly be in the context of a much less significant case.

II. THE SECOND CIRCUIT'S DECISION IS IN CONFLICT WITH THE PRECEDENTS OF THIS COURT, SISTER CIRCUITS, AND THE SECOND CIRCUIT ITSELF

The panel's opinion disrupts the well-settled rule established by this Court that a trial court may release claims in settlement that it does not otherwise have jurisdiction to try. This Court has long held that courts may release claims not otherwise subject to jurisdiction, vindicating the strong policy preference in favor of comprehensive settlement. In *Matsushita v. Epstein*, this Court held that a state court could approve a "class action settlement releasing claims solely within the jurisdiction of the federal courts." 516 U.S. 367, 375 (1996). This Court's decision in *Lexecon, Inc. v. Milberg Weiss Bershad Hynes & Lerach*, 523 U.S. 26 (1998), did not question a transferee court's power to settle claims that it lacked jurisdiction to try — consistent with rule laid out in *Matsushita*. *Id.* at 30 (holding that transferee courts may lack jurisdiction to try transferred cases, but stating no objection to a transferee court's settlement of a case it lacked the power to try).

The courts of appeals have also long endorsed the simple rule that trial courts have broad power

to approve settlements that effect the release of claims that they could not otherwise try. *See, e.g., In re Prudential Ins. Co. of Am. Sales Practice Litig.*, 261 F.3d 355, 366 (3d Cir. 2001) ("It is now settled that a judgment pursuant to a class settlement can bar later claims based on the allegations underlying the claims in the settled class action. This is true even though the precluded claim was not presented, and could not have been presented, in the class action itself."); *In re Corrugated Container Antitrust Litig.*, 643 F.2d 195, 221 (5th Cir. 1981) ("[E]ven when the court does not have power to adjudicate a claim, it may still 'approve release of that claim as a condition of settlement of (an) action (before it).'"). Taken together, this Court and the courts of appeals have set out a simple, bright-line rule — that in approving a settlement, a court may release claims that it could not otherwise adjudicate. The panel's decision threatens to turn this simple rule into a patchwork of ad-hoc exceptions — beginning with the exception for claims implicated by Section 411(a), a provision that does not even speak in express terms, and does not seem on its face to withdraw long-settled judicial power to approve settlements releasing claims that the court could not adjudicate, or granting relief that the court could not grant after adjudication. *Resp. Brief at* 6; *Objector's Brief at* 3.

The panel's decision is also in direct conflict with the Ninth Circuit's recent decision in *Perfect 10 v. Amazon.com*, in which the court rejected the argument that it "lack[ed] jurisdiction over the preliminary injunction to the extent it enforces

unregistered copyrights." 508 F.3d 1146, 1154 (9th Cir. 2007) (in proper copyright cases, injunctive relief may extend to unregistered works); *see also Olan Mills, Inc. v. Linn Photo Co.*, 23 F.3d 1345, 1349 (8th Cir. 1994); *Pac. & S. Co., Inc. v. Duncan*, 744 F.2d 1490, 1499 n. 17 (11th Cir. 1984).

In fact, the panel's opinion will create confusion even within the Second Circuit, where the rule, until now, has been consistent with this Court and the other courts of appeals. The panel did not attempt to reconcile its decision with Second Circuit precedent set down in *TBK Partners, Ltd. v. W. Union Corp.*, 675 F.2d 456 (2d Cir. 1982). In *TBK*, the Second Circuit recognized the strong policy preference in favor of "comprehensive settlement" and held that "a court may permit the release of a claim based on the identical factual predicate as that underlying the claims in the settled class action even though the claim . . . might not have been presentable in the class action." *Id.* at 460.

The long-standing bright-line rule that Courts may settle claims that they could not try supports the strong policy preference for comprehensive settlement — particularly in large class action suits, where it is essential — and conserves judicial resources. *Prudential*, 261 F.3d at 366 ("[I]t may seem anomalous . . . that courts without jurisdiction to hear certain claims have the power to release those claims as part of a judgment. However, [courts] have endorsed the rule because it serves the important policy interest of judicial economy by permitting parties to enter into comprehensive settlements." (citations omitted)).

If this Court does not review the panel's decision, this bright-line rule will be rendered a patchwork. *Obj. Brief at* 3, *Resp. Brief at* 9-10. Effectively, a new battleground will be opened for opponents of the terms of comprehensive class action settlements to oppose such settlements on the basis that a particular state or federal statute, like Section 411(a), establishes preconditions to the filing of suit. The Circuit Courts, and eventually this Court, will be forced to define the contours of this new front in class action litigation and, in the process, the comprehensiveness and finality of class action settlements will be greatly reduced, and the strong public policy in favor of settlements greatly disserved.

III. THE DECISION BELOW HAS PROFOUND IMPLICATIONS FOR THE PARTIES AND FUTURE LITIGANTS.

This case is of profound importance to the nation's freelance authors, database operators, newspaper and magazine publishers and to future class action litigants.

The panel's decision will render meaningless this Court's assurance in *New York Times Co. v. Tasini*, that "[t]he parties (Authors and Publishers) may enter into an agreement allowing continued electronic reproduction of the Authors' works; they, and if necessary the courts and Congress, may draw on numerous models for distributing copyrighted works and remunerating authors for their distribution." 533 U.S. 483, 505 (2001). For all practical purposes, this Court's words would be rendered a nullity.

The many parties to this action reached an apparent resolution after a nearly decade long course of litigation and mediation. Every relevant player in the underlying dispute was included. The parties reached a settlement that would compensate the freelance authors and would permit the nation's database operators and newspaper and magazine publishers to go forward without the specter of lingering liability and without the omissions that currently plague widely-used electronic databases. All of these salutary developments will be erased if the panel's decision is permitted to stand. Under the panel's ruling, the parties will be unable to collectively pursue a resolution that will put this issue to rest. Even if an agreement could be reached with the holders of the registered copyrights alone, archival databases will remain incomplete as to many unregistered works.

Contrary to the Objectors' contentions, the proposed settlement fairly compensates the holders of both registered and unregistered copyrights — a fact recognized by the thousands of freelance authors who submitted detailed claim forms seeking compensation regarding hundreds of thousands of registered and unregistered newspaper and magazine articles.[2] Indeed, as

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[2] As the District Court observed:

> I believe the record indicates that those individuals who have expressed [] dissatisfaction are overwhelmingly outnumbered by the majority of plaintiffs in this case, who believe that this is a fair, adequate, appropriate settlement which ensures recovery so some extent to all class members involved. It also significantly provides recovery for

plaintiffs-respondents stress, Respondents Brief at 3, in the absence of a comprehensive class action settlement, unregistered copyright holders — even those who have submitted claim forms as part of the settlement — will likely receive no recovery.

Meanwhile, the panel decision will raise a serious question in every class action settlement in which a court attempts to release claims that would otherwise not be subject to adjudication. As the parties have discussed in their prior briefs, many statutes could be analogized to Section 411(a). *Resp. Brief at* 11. It is a virtual certainty that many will arise in the class action context. The Court will be forced to deal with these arguments piecemeal, having passed up the opportunity to resolve the issue at this juncture.

Petitioners respectfully urge that this issue should be resolved now, in the context of this critically important case.

[Footnote continued from previous page]

> plaintiff class members who, one, would not otherwise have the motivation or resources to pursue recovery on their own, and, further, provides recovery to an extent for those who may not even otherwise have a basis for the type of recovery that is provided here.

Petitioners' Brief at 50a.

CONCLUSION

For the foregoing reasons, the petition for a writ of certiorari, supported by all parties to the appeal below, should be granted.

October 28, 2008

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JOINT APPENDIX

129

No. 08-103

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IN THE

Supreme Court of the United States

REED ELSEVIER INC. *et al.*,
Petitioners,

v.

IRVIN MUCHNICK *et al.*,
Respondents,

LETTY COTTIN POGREBIN *et al.*,
Respondents.

ON WRIT OF CERTIORARI TO THE
UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

JOINT APPENDIX

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PETITION FOR CERTIORARI FILED JULY 22, 2008
CERTIORARI GRANTED MARCH 2, 2009

HARRIS 41666

TABLE OF CONTENTS

Relevant Docket Entries iii

Complaint in *Laney v. Dow Jones & Co.*, No. 00-civ-0769 (D. Del.), dated Aug. 21, 2000 1

Complaint in *Posner v. Gale Group, Inc.*, No. 00-civ-7376 (S.D.N.Y.), dated Sept. 28, 2000 16

Complaint in *Authors Guild v. Dialog Corp.*, No. 00-civ-6049 (S.D.N.Y.), dated Sept. 29, 2000 48

Complaint in *Authors Guild v. New York Times Co.*, No. 01-civ-6032 (S.D.N.Y.), dated July 3, 2001 69

Consolidated Amended Class Action Complaint in *In re Literary Works in Electronic Databases Copyright Litigation*, MDL No. 1379 (S.D.N.Y.), dated Sept. 20, 2001 (Exhibit A Omitted) 80

Settlement Agreement, dated Mar. 31, 2005 (Exhibits B-F Omitted) 106

Exhibit A—Participating Publishers 150

Order of the U.S. District Court for the Southern District of New York, dated Sept. 27, 2005 152

Order Granting the Petition for a Writ of Certiorari, dated Mar. 2, 2009 158

The following opinion, letter, transcript, and orders have been omitted in printing this joint appendix because they appear on the following pages in the Appendix to the Petition for a Writ of Certiorari:

Opinion of the U.S. Court of Appeals for the Second Circuit, decided Nov. 29, 2007 ..... 1a

Order of the U.S. Court of Appeals for the Second Circuit Requesting Briefing on Subject Matter Jurisdiction, dated Jan. 31, 2007 ..... 46a

Hearing Transcript of the U.S. District Court for the Southern District of New York, dated Sept. 27, 2005 ..... 48a

Order of the U.S. Court of Appeals for the Second Circuit Denying Petition for Rehearing, or in the Alternative, Rehearing *En Banc*, dated Apr. 15, 2008 ..... 59a

Letter from the U.S. Supreme Court Extending the Time to File a Petition for a Writ of Certiorari to August 13, 2008, dated Mar. 12, 2009 ..... 62a

RELEVANT DOCKET ENTRIES

United States District Court for the Southern District of New York Docket for Case No. M21-90 (MDL 1379)

N/A	*Laney v. Dow Jones & Co.*, No. 00-civ-0769 (D. Del.) complaint filed	Aug. 21, 2000
N/A	*Posner v. Gale Group, Inc.*, No. 00-civ-7376 (S.D.N.Y.) complaint filed	Sept. 28, 2000
N/A	*Authors Guild v. Dialog Corp.*, No. 00-civ-6049 (S.D.N.Y.) complaint filed	Sept. 29, 2000
1	Judicial Panel on Multidistrict Litigation transfer order filed	Dec. 11, 2000
4	Order granting application for stay of proceedings and placing case on the suspense docket filed	Mar. 1, 2001
N/A	*Authors Guild v. New York Times Co.*, No. 01-civ-6032 (S.D.N.Y.) complaint filed	July 3, 2001
6	Order removing case from the suspense docket filed	July 24, 2001
7	Pre-trial order no. 1 filed	Aug. 14, 2001

10 Consolidated amended class action complaint in *In re Literary Works in Electronic Databases Copyright Litigation*, MDL No. 1379 (S.D.N.Y.) filed ..... Sept. 26, 2001

15 Stipulation of adjournment pending mediation filed ..... Nov. 14, 2001

29 Memorandum of law in support of plaintiffs' motion for preliminary settlement approval filed ..... Mar. 31, 2005

52 Settlement agreement filed ..... Mar. 31, 2005

94 Motion for preliminary approval of settlement agreement as amended filed ..... July 26, 2005

128 Motion for final approval of settlement and final judgment filed ..... Sept. 19, 2005

149 Order for final approval of settlement and final judgment filed ..... Sept. 28, 2005

United States Court of Appeals
for the Second Circuit
Docket for Case No. 05-5943

Order requesting briefing on subject matter jurisdiction filed ..... Jan. 31, 2007

Letter-brief of defendants-appellees on subject matter jurisdiction filed ..... Feb. 12, 2007

Letter-brief of plaintiffs-appellees on subject matter jurisdiction filed ..... Feb. 16, 2007

Letter-brief of objectors-appellants on subject matter jurisdiction filed ..... Feb. 16, 2007

Judgment of the district court is vacated and remanded by published, signed opinion filed ..... Nov. 29, 2007

Judge Walker dissents in a separate opinion filed ..... Nov. 29, 2007

Judgment filed ..... Nov. 29, 2007

Petition for rehearing by objectors-appellants filed ..... Jan. 4, 2008

Petition for rehearing and rehearing *en banc* by defendants-appellees filed ..... Jan 4, 2008

Petition for rehearing and rehearing *en banc* by plaintiffs-appellees filed ..... Jan 4, 2008

Order denying petition for rehearing by objectors-appellants filed ..... Mar. 24, 2008

Order denying petition for rehearing and rehearing *en banc* by defendants-appellees filed ..... Apr. 15, 2008

Order denying petition for rehearing and rehearing *en banc* by plaintiffs-appellees filed ..... Apr. 15, 2008

Judgment mandate issued ..... Apr. 28, 2008

Supreme Court of the United States
Docket for Case No. 08-103

Petition for Writ of Certiorari filed ..... July 22, 2008

Petition Granted Limited to the Following Question: Does 17 U. S. C. Sec. 411(a) restrict the subject matter jurisdiction of the federal courts over copyright infringement actions? ..... Mar. 2, 2009

COMPLAINT IN *LANEY V. DOW JONES & CO.*, NO. 00-CIV-0769 (D. DEL.), DATED AUG. 21, 2000

Caption Omitted

Individual and representative Plaintiff Ruth Laney, by and through her attorneys, on behalf of herself and all others similarly situated, complains against defendants Dow Jones & Company, Inc. and Reed Elsevier Inc. (collectively referred to as "Defendants") as follows:

NATURE OF THIS CLASS ACTION COMPLAINT

1. This is a case about freelance writers, the articles freelance writers wrote for particular newspapers or magazines, and the unauthorized re-use of those articles in electronic databases of Defendants and others in violation of the copyright laws of the United States.

According to the publishers of the nation's newspapers and magazines and the producers of these databases, the publishing world has, for at least the last fifteen years, been engaged in the practice of recycling articles in this manner. As a result of this course of conduct and the cumulative effect of these infringements and recycling, the databases established by Defendants and others now contain, in some instances, hundreds of millions of recycled articles. Each of these databases contains copies of copyrighted articles and literary works for which the Defendants do not hold the rights.

In addition to creating and re-creating these databases, Defendants have also created a variety of dial-in, internet-based and other systems to deliver copies of these copyrighted works to subscribers and/or consumers for a fee. As a result of having reproduced, retained, distributed, displayed and/or sold these copyrighted works, Defendants have collected substantial revenues and profits and reaped significant financial benefits. These are revenues that, at least in part, should have been paid, and benefits that should have accrued, to the members of the Class.

2. Defendants knew that the copyright laws of the United States required Defendants to obtain permission from the holders of copyrights in articles and literary works (hereinafter "works") protected by copyright prior to reproducing, distributing, displaying and/or selling copies of said works or authorizing *others* to reproduce, display, download and/or print out copies of said works. Notwithstanding this knowledge, for years, Defendants have disregarded the copyright laws, systematically reproducing, distributing, displaying, and/or selling copyrighted works without the copyright holders' permission, and authorized others to reproduce, display and/or distribute works for which the databases do not hold the rights.

3. Plaintiff in this action is the owner of copyrights in and to works that have been reproduced, distributed, displayed and/or offered for sale by Defendants without the Plaintiff's authorization, prior permission or any compensation to her.

4. Plaintiff, on her own behalf, and on behalf of the classes of persons similarly situated and defined below, seeks damages, injunctive relief and restitution. Specifically, Plaintiff seeks an award of damages as a consequence of Defendants having infringed her rights, an injunction barring the Defendants from continuing to reproduce, display, distribute, and/or offer her works for sale without her permission, restitution and other equitable remedies.

PARTIES

5. Plaintiff Ruth Laney is a resident of Baton Rouge, Louisiana. Plaintiff Laney is a freelance author and the owner of the copyrights in at least two published works which were subsequently reproduced, retained, distributed, displayed, and/or offered for sale by Defendants without Plaintiff Laney's prior permission or authorization and without compensation to Plaintiff Laney. Plaintiff Laney has registered her copyright in the articles entitled "A Lesson Before Dying" and "Art Accident", with all the required elements for copyright registration having been received by the Copyright Office on August 17, 2000.

6. Defendant Dow. Jones & Company, Inc. ("Dow Jones") is a Delaware corporation with a principal office at 200 Liberty Street, New York, New York, 10281.

7. Defendant Reed Elsevier Inc. ("Reed Elsevier") is a Delaware corporation with a

registered office at 1013 Centre Road, Wilmington, Delaware, 19805.

8. Dow Jones and Reed Elsevier are referred to collectively herein as "Defendants."

9. Dow Jones maintains and operates inter alia, an interactive on-line group of databases containing millions of articles from more than 6,000 sources.

10. Reed Elsevier owns and controls NEXIS, an interactive news and information service available either through a modem hook-up or on-line. NEXIS consists of a group of databases that, together, contain approximately 2.5 billion documents.

JURISDICTION AND VENUE

11. This is an action for injunctive relief and damages arising under the Copyright Act of the United States.

12. This court has subject matter jurisdiction over the copyright infringement claim under 17 U.S.C § 101 et seq., with jurisdiction vested in this Court pursuant to 28 U.S.C. § 1331 (federal question jurisdiction) and 28 U.S.C. § 1338(a) (acts of Congress relating to copyrights). This court has personal jurisdiction over the Defendants. Defendants continuously and systematically reproduce, display, distribute, market, and sell their databases and on-line publications delivery services to consumers located within this Judicial District. Defendants also maintain offices in this Judicial District.

Defendants' relationship with the State is therefore sufficient to make it reasonable for Defendants to defend the action in this Judicial District.

13. Plaintiff alleges that venue properly lies in this Judicial District pursuant to 28 U.S.C. § 1400 (a) because the Defendants may be found within this Judicial District and also because they have engaged in substantial acts of infringement within this Judicial District.

CLASS ACTION ALLEGATIONS

14. Plaintiff brings this action on behalf of herself and all others similarly situated, as members of the proposed Plaintiff class. The general class (hereinafter "the Class") that the representative Plaintiff in this action seeks to represent is composed of the following:

> All persons and/or entities who, at the filing of this Complaint, own the copyright in one or more literary works that, within the last three years, have been reproduced, distributed, displayed and/or sold by either or both of the Defendants, or that have been carried in either or both of their databases, without the permission of the copyright owner. The literary works to which this definition applies are those that were first created on or after January 1, 1978. Excluded from the class are the Defendants in this action, any

entity in which the Defendants have a controlling interest, any employees, officers, or directors of Defendants, and the legal representatives, heirs, successors, and assigns of Defendants.

15. This action has been brought and may properly be maintained as a Class Action pursuant to Rule 23 of the Federal Rules of Civil Procedure.

16. Numerosity of the Class – Fed. R. Civ. P. 23(a)(1): The persons and/or entities in the Class are so numerous that the joinder of all such persons is impracticable and the disposition of their claims in a Class Action rather than in individual actions will benefit the parties and the Court. The precise number of class members and their addresses are unknown to Plaintiff, although it is believed that the Class will number at least ten thousand. Class members may be notified of the pendency of this action by mail, supplemented (if deemed necessary or appropriate by the Court) by published notice.

17. Existence and Predominance of Common Questions of Law and Fact – Fed. R. Civ. P. 23(a)(2); 23(b)(3): There is a well-defined community of interest in the questions of law and fact involved affecting the plaintiff Class. Questions of law and fact common to the Class include, but are not limited to, the following:

a. Whether Defendants' reproduction, display, distribution, and/or sale of Plaintiff's and

the Class' works constitute violations of the Federal Copyright Act, 17 U.S.C. 101 et seq.;

b. Whether Defendants acted willfully, recklessly or negligently with respect to the acts complained of herein and/or in violation of the rights of Plaintiff and the Class;

c. Whether Plaintiff and the Class are entitled to an award of damages, restitution and/or injunctive relief, as requested herein; and

d. The factors to consider in deciding whether or not injunctive relief is appropriate and the scope of any such relief and the appropriate measure to use for damages; and, finally,

e. The profits Defendants reaped as result of their unlawful activities. These questions of law and fact predominate over questions that affect only individual Class members.

18. Typicality – Fed. R. Civ. P. 23(a)(3): The claims of Plaintiff are typical of those of the Class because Plaintiff is the owner of copyrighted articles and literary works that have been carried in the Defendants' database[s] and reproduced, displayed, distributed, and/or sold by Defendants.

19. Adequacy – Fed. R. Civ. P. 23(a)(4): Plaintiff is an adequate representative of the Class because she will fairly and adequately protect the interests of the Class. Plaintiffs interests do not in any way conflict with the interests of the other members of the Class which she seeks to

represent. Plaintiff is committed to the vigorous prosecution of this action and has retained competent counsel experienced in complex class action litigation and experienced in copyright and intellectual property litigation to represent her. The interests of the Class will be fairly and adequately protected by Plaintiff and her counsel.

20. Superiority – Fed. R. Civ. P. 23(b)(3): A class action is the best available method for fair and efficient adjudication of this controversy. The members of the Class are so numerous that the joinder of all members is impractical, if not impossible. Since the damages suffered by each individual Class member, while not inconsequential, may be relatively small, the expense and burden of individual litigation make it impractical for members of the Class to seek redress individually for the wrongful conduct alleged herein. Further, it would be virtually impossible for the members of the Class individually to redress effectively the wrongs done to them. Indeed, most acts of infringement alleged herein will go unnoticed and undiscovered by the individual Class members because of Defendants' willful failure to notify Class members of the reproduction, distribution, display, and/or sale of their copyrighted works. Even if the members of the Class themselves could afford such individual litigation, the court system could not. Individualized litigation presents a potential for inconsistent or contradictory judgments. Individualized litigation increases the delay and expense to all parties and the court system presented by the complex legal and factual issues of the case. By contrast, the class action device

presents far fewer management difficulties, and provides the benefits of single adjudication, economy of scale, and comprehensive supervision by a single court.

21. In addition, and/or alternatively, the Class may be certified under the provisions of Fed. R. Civ. P. 23(b)(1) and/or 23(b)(2) because:

a. The prosecution of separate actions by individual Class members would create a risk of adjudications with respect to them which would, as a practical matter, be dispositive of the interests of other Class members not parties to the adjudications, or substantially impair or impede their ability to protect their interests; and

b. Defendants have acted or refused to act on grounds generally applicable to the Class, thereby making appropriate final and injunctive relief with respect to the members of the class as a whole.

GENERAL ALLEGATIONS

22. In April 1996, Defendant Dow Jones offered "Dow Jones Interactive" ("DJI"), an interactive dial-in and on-line publications delivery web site. Since that time Dow Jones has compiled a group of databases containing millions of articles from more than 6,000 sources. According to the Dow Jones literature, between 40,000 and 50,000 articles are added to the DJI database every day.

23. Subscribers access the DJI databases either by dial-in connections or on-line. DJI has charged a variety of fees for access to its

databases and/or article retrieval. At this time, DJI charges an individual subscriber a flat $69.00 rate for access and an additional $2.95 for each article retrieved from the database. The flat rate for corporate access varies, but there is a minimum monthly fee of $500.00. Once a subscriber accesses the DJI databases, the subscriber enters key words or search phrases and retrieves the desired information. After viewing the database search results, the subscribers can purchase full text copies of the articles of interest for the designated fee. The subscriber then prints the purchased articles or saves them for later access and viewing.

24. The NEXIS database is a news and information retrieval service that has existed, in one form or another, for at least fifteen years. Originally, the database was accessible through a telephonic connection or modem hook-up. In 1994, the NEXIS service was made available, in addition, via an interactive on-line publications delivery web site. According to Reed Elsevier literature, NEXIS consists of a group of databases containing approximately 2.5 billion documents and draws on some 18,871 sources.

25. NEXIS has charged a variety of fees for access to its databases and/or article retrieval. The fees charged individual subscribers may be either a flat rate, or determined on an hourly or transactional basis. Once a subscriber accesses NEXIS, the subscriber typically enters key words or search phrases to retrieve the desired information. After viewing the database search results, a subscriber can print the articles, save

them for later access and viewing, download them to a hard drive or send them to an individual electronic mail account.

26. In some situations, Defendants have entered into contracts and licenses with magazine and journal publishers that purportedly grant Defendants the right to reproduce, retain, distribute, display, and/or sell articles written by contributing freelance authors without regard to whether those freelancers transferred any exclusive rights in their works.

27. Even in those situations where the Defendants have no permission or authorization from the freelance author to copy and sell an article, they have nonetheless reproduced, displayed, distributed, and/or sold copies of the articles.

28. As a consequence, Defendants have reproduced, displayed, distributed, and/or sold articles protected by copyright without the copyright holders' prior permission or authorization.

29. As a further consequence, Defendants have reproduced, displayed, distributed, and/or sold articles that Defendants either have known or reasonably should have known were protected by copyright, without the copywright holders' prior permission or authorization.

30. By continuing to reproduce, distribute, display and/or sell works authored by members of the Class without an appropriate license or authorization, Defendants have continued to

infringe and to commit and threaten new, further, and additional acts of infringement.

31. These acts of infringement have already caused, and unless restrained, will continue to cause Plaintiff and the Class to suffer substantial damages and irreparable injury through, inter alia:

a. new, further and additional infringements of their copyrighted works;

b. depreciation in the value of their works, and decrease in their ability to license, sell and syndicate their works;

c. lost profits and/or opportunities; and

d. damage to their goodwill and reputation.

32. Plaintiff and the Class have suffered damages from these unlawful practices of Defendants, and believe that they will continue to suffer such damages unless Defendants are enjoined and restrained by this Court from infringing their copyrights.

FIRST CAUSE OF ACTION

Copyright Infringement in Violation of Title 17 of the United States Code

33. Plaintiff and the Class members similarly situated, reallege and incorporate by reference as if fully set forth herein the allegations contained

in paragraphs 1 through 32 inclusive, as if set forth in full as part of Count One.

34. Plaintiff is the owner of a valid copyright in and to at least two literary works that have been reproduced by Defendants and offered for display, distribution, and/or sale by the Defendants, without authorization or prior permission from or compensation to the Plaintiff. Each work, "A Lesson Before Dying" and "Art Accident" is an original work of authorship and copyrightable subject matter under 17 U.S.C. § 101 et seq.

35. Plaintiff is the exclusive owner in and to the copyrights associated with the works alleged herein and has been the owner and copyright holder since each of the works was created.

36. Each work was created and first published after January 1, 1978.

37. Defendants had access to each work.

38. Defendants have reproduced, distributed, displayed, and/or sold each work without Plaintiffs' authorization or permission.

39. As a result of Defendants' acts of copyright infringement and the foregoing allegations, the Defendants have received a profit and the Plaintiff has suffered damages as more fully set forth in the Prayer For Relief of this Complaint.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, on her own behalf and on behalf of the Class, prays for relief as follows:

1. Defendants, their officers, agents, employees, servants, representatives, and all persons acting in concert or privity with them, be preliminarily and permanently enjoined from copying, distributing, displaying and/or selling—or offering for distribution, display or reproduction—any works authored and/or owned by members of the plaintiff Class without their express written authorization or permission;

2. Defendants, their officers, agents, employees, servants, representatives, and all persons acting in concert or privity with them, be preliminarily and permanently enjoined from continuing to commit acts of copyright infringement;

3. Defendants be required to account to Plaintiff and the Class and to disgorge the profits they received as a result of the activities complained of;

4. Defendants, in addition, be required to pay Plaintiff's and the Class's actual damages;

5. Alternatively, Defendants be required to pay statutory damages under 17 U.S.C. § 504 to those Class members who are entitled to them;

6. In those instances where it is appropriate, Defendants be required to pay costs and attorneys' fees; and, finally,

7. For such other and further relief as this Court deems reasonable and proper.

DATED: August 21, 2000

Respectfully submitted,

GRANT & EISENHOFER, PA

Signature Omitted

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COMPLAINT IN *POSNER V. GALE GROUP, INC.*, NO. 00-CIV-7376 (S.D.N.Y.), DATED SEPT. 28, 2000

Caption Omitted

The representative Plaintiffs bring this action on behalf of themselves and all others similarly situated, and allege as follows:

NATURE OF THIS CLASS ACTION COMPLAINT

1. This Class Action arises from the Defendants' systematic and intentional violation of the Copyright Act. At all relevant times, Defendants Gale Group, Inc. (hereinafter "Gale Group"), Northern Light Technology Corporation (hereinafter "Northern Light"), Bell & Howell Information and Learning Company (hereinafter "Bell & Howell") Reed Elsevier, Inc., doing business as the Lexis/Nexis Publishing Group (hereinafter "Lexis/Nexis"), Dow Jones Reuters Business Interactive, LLC (hereinafter "Dow Jones Interactive"), Mediastream, Inc. (hereinafter "Mediastream"), the Union-Tribune Publishing Company (hereinafter the "Union Tribune") and the West Publishing Company d/b/a West Group (hereinafter "West Group")(collectively hereinafter sometimes referred to as the "Defendants"), Thomson Corporation (hereinafter "Thomson"), Thomson Business Information (hereinafter "Thomson Business") (collectively referred to hereinafter as "Thomson Defendants") knew that the United States Copyright Act required that they

obtain authorization from the owners of copyrights in copyrighted articles and literary works (hereinafter "Copyrighted Works") prior to reproducing, displaying, selling and/or distributing copies of these Copyrighted Works. Despite this knowledge, Defendants systematically reproduced, displayed, sold and/or distributed Copyrighted Works electronically and otherwise without the copyright holders' authorization, and induced their customers to reproduce and display the Copyrighted Works without authorization. The Thomson Defendants vicariously infringed Plaintiffs' Copyrighted works and contributed to the infringement by Defendants.

2. Defendants created various electronic databases that are available through the internet on the World Wide Web (hereinafter "Online") that contain unauthorized full text electronic copies of Copyrighted Works and created internet based systems to deliver those unauthorized Copyrighted Works for a fee to consumers and others and in so doing, engaged in extensive, systematic, and continuous acts of copyright infringement, as a result of which Defendants earned substantial revenue and profits and financial benefits.

3. Defendants, for a fee, initiated or directed that unauthorized electronic copies of Copyrighted Works located in Defendants' Online electronic databases be transmitted to purchasers located in New York and elsewhere without the Plaintiffs' authorization.

4. Thomson Defendants have the ability to control the Gale Group and the West Group and have specifically condoned, ratified, encouraged, and/or induced the infringing conduct of the Gale Group and the West Group for the financial benefit of the Thomson Defendants.

5. Plaintiffs in this action are the owners of, or in the case of the National Writers Union (hereinafter "NWU"), a union some of whose members are the owners of, copyrights in the Copyrighted Works that have been copied, displayed, distributed and/or sold Online by one or more Defendants without the Plaintiffs' authorization.

6. Plaintiffs, other than the NWU, for themselves and on behalf of persons similarly situated and as further defined below, seek compensatory and statutory damages and restitution as a result of Defendants' direct and indirect infringement and the Thomson Defendants' vicarious and contributing infringement. Plaintiffs and the NWU, for themselves and on behalf of persons similarly situated and as further defined below seek an injunction from this Court that bars Defendants, and the Thomson Defendants from continuing the unauthorized sale, reproduction, display and/or distribution of Plaintiffs' Copyrighted Works, and finally, other equitable remedies.

PARTIES

7. Plaintiff Gerald Posner is a resident of New York, New York. Mr. Posner is a freelance author

and the owner of the copyright in "Citizen Perot: His Life and Times" (hereinafter "Citizen Perot"). The copyright in Citizen Perot is registered with the United States Copyright Office, Registration Number TX-4-489-623. Portions of Citizen Perot were distributed, displayed, copied, and/or sold by Bell & Howell through its business unit ProQuest, formerly known as "UMI", without the authorization of Mr. Posner. Mr. Posner is a freelance writer and owner of a registered United States copyright in at least one published work which was subsequently distributed, displayed, copied, and/or sold by one or more Defendants without Mr. Posner's authorization.

8. Plaintiff the Robert E. Treuhaft and Jessica L. Treuhaft Trust, dated December 3, 1985 (hereinafter the "Mitford Trust"), is a California trust located in Oakland, California. Jessica L. Treuhaft is the legal name of author Jessica Mitford. The Mitford Trust is the owner of the copyright in "American Way of Birth" written by Jessica Mitford. The copyright in the American Way of Birth is registered with the United States Copyright Office, Registration Number TX-3-465-577. Portions of the "American Way of Birth" were distributed, displayed, copied, and/or sold by the Gale Group without the authorization of the Mitford Trust. The Mitford Trust is the owner of a registered United States copyright in at least one published work which was subsequently distributed, displayed, copied and/or sold by one or more Defendants without the Mitford Trust's authorization.

9. Plaintiff Jay Feldman is a resident of Davis, California. Mr. Feldman is the owner of the copyright in "Roberto Clemente Went to Bat for All Latin Ballplayers" (hereinafter "Roberto Clemente"). The copyright in Roberto Clemente is registered with the United States Copyright Office, Registration Number TX 5 -119- 887. Portions of Roberto Clemente were distributed, displayed, copied, and/or sold by the Gale Group without the authorization of Mr. Feldman. Mr. Feldman is a freelance writer and owner of a registered United States copyright in at least one published work which was subsequently distributed, displayed, copied, and/or sold by one or more Defendants without Mr. Feldman's authorization.

10. Plaintiff Michael Castleman, Inc. (hereinafter "Castleman Inc.") is a California Corporation with its principal place of business located in San Francisco, California. Castleman Inc. has been assigned the copyright in "The .02 Percent Solution" authored by Michael Castleman. The copyright in "The .02 Percent Solution" is registered with the United States Copyright Office, Registration Number TX 5-113-560. Portions of "The .02 Percent Solution" were distributed, displayed, copied and/or sold by Northern Light, the Gale Group and Bell & Howell without the authorization of Castleman Inc. Castleman Inc. is the owner of a registered United States copyright in at least one published work which was subsequently distributed, displayed, copied, and/or sold by one or more Defendants without Castleman Inc.'s authorization.

11. Plaintiff Robin Vaughan is a resident of Boston, Massachusetts. Ms. Vaughan is a freelance author and the owner of the copyright in numerous articles reviewing the performing arts in the Boston, Massachusetts area. On or about July 10, 2000, Ms. Vaughan filed her application to register her copyrights in numerous articles with the United States Copyright Office which was received by that office shortly thereafter. Included in that application was an article entitled "Facing up to Van Gogh" (hereinafter "Van Gogh") which was first published July 7, 2000. The full text of Van Gogh was distributed, displayed, copied, and/or sold by Lexis Nexis, the West Group, Northern Light Special Collection, Bell & Howell through its business unit ProQuest, formerly known as "UMI", and Dow Jones Interactive without the authorization of Ms. Vaughan. Ms. Vaughan is a freelance writer who has applied for the registration of a United States copyright in at least one published work which was subsequently distributed, displayed, copied, and/or sold by one or more Defendants without Ms. Vaughan's authorization.

12. Plaintiff Mary Sherman is a resident of Boston, Massachusetts. Ms. Sherman is a freelance author and the owner of the copyright in numerous articles reviewing the visual arts in the Boston, Massachusetts area. On or about August 18, 2000, Ms. Sherman filed her application to register her copyrights in numerous articles with the United States Copyright Office which was received by that office shortly thereafter. Included in that application was an article entitled "'Reflexion' on Life and Death- Museum of Fine

Arts exhibit mirrors Christian Boltanski's post-utopian vision" (hereinafter "Reflexion") which was first published on August 17, 2000. The full text of Reflexion was distributed, displayed, copied, and/or sold by the Lexis Nexis Defendants, the West Group, Northern Light Special Collection, Bell & Howell through its business unit ProQuest, formerly known as "UMI", and Dow Jones Interactive without the authorization of Ms. Sherman. Ms. Sherman is a freelance writer who has applied for the registration of a United States copyright in at least one published work which was subsequently distributed, displayed, copied, and/or sold by one or more Defendants without Ms. Sherman's authorization.

13. Plaintiff Miriam Raftery is a California resident. Ms. Raftery is a freelance author and the owner of the copyright in numerous articles in the general subject area of home improvements. Ms. Raftery is the owner of the copyright in "Natural Environments Interior Designer Finds No Room for Unfriendly Materials" (hereinafter "Natural Environments"). The copyright in Natural Environments is registered with the United States Copyright Office, Registration Number TX 5 -154-058. The full text of Natural Environments was distributed, displayed, copied, and/or sold by the Lexis Nexis Defendants, the West Group, the San Diego Union Tribune and Dow Jones Interactive without the authorization of Ms. Raftery. Ms. Raftery is a freelance writer who is the registered owner of a United States copyright in at least one published work which was subsequently distributed, displayed, copied,

and/or sold by one or more Defendants without Ms. Raftery's authorization.

14. Plaintiff Paula McDonald is a citizen of the United States who resides in Rosarito, Mexico. Ms. McDonald is a freelance author and the owner of the copyright in numerous travel articles pertaining to the Baja peninsula area. On or about September 14, 2000, Ms. McDonald filed her application to register her copyrights in numerous articles with the United States Copyright Office which was received by that office shortly thereafter. Included in that application was an article entitled "An Ocean of Options" (hereinafter "Ocean") which was first published on October 21, 1999. The full text of Ocean was distributed, displayed, copied, and/or sold by the Lexis Nexis Defendants, the West Group, the San Diego Union Tribune and Dow Jones Interactive without the authorization of Ms. McDonald. Ms. McDonald is a freelance writer who has applied for the registration of a United States copyright in at least one published work which was subsequently distributed, displayed, copied, and/or sold by one or more Defendants without Ms. McDonald's authorization.

15. Plaintiff P/K Associates, Inc. is a Wisconsin, Corporation (hereinafter "P/K"). P/K is the owner of the copyright in numerous articles written by Franklynn Peterson in the general subject matter of computers. On or about September 15, 2000 P/K filed its application to register its copyrights in numerous articles with the United States Copyright Office which was received by that office shortly thereafter. Included in that application

was an article entitled "Computers are Not Hazardous to your Health, Studies Report" (hereinafter "Computers") which was first published on March 29,1984. The full text of Computers was distributed, displayed, copied, and/or sold by the Mediastream without the authorization of P/K. P/K is the owner of the copyright in numerous articles written by Franklynn Peterson. P/K has applied for the registration of a United States copyright in at least one published work which was subsequently distributed, displayed, copied, and/or sold by one or more Defendants without P/K's authorization.

16. Plaintiff NWU is a labor organization, organized (in the State of New York, whose 6,500 members nationwide are free lance writers. The NWU is an organization that has been committed to improving the economic working conditions of its freelance members, assisting them in grievance disputes with publishers regarding their compensation, contract negotiations between free lance writers and publishers as well as advocating for its members' enforcement of their copyrights. The NWU has established a Publications Rights Clearinghouse, devoted to facilitating payment of its members for the use of their copyrighted works. The members of the NWU who have registered their copyrights in Copyrighted Works could sue the named defendants in their own right. The NWU here seeks declaratory and injunctive relief for its members, and on behalf of others similarly situated, as set forth below, to enjoin the unauthorized reproduction, sale, distribution and display of Copyrighted Works.

17. Defendant Gale Group is a Delaware Corporation. The prior name of the Gale Group was Information Access Company. The Gale Group provides, for a fee, Online access to electronic copies of approximately 6,000 titles of full text newspapers and full text periodicals with 20 years of coverage from 1980 to the present. The Gale Group electronic database has approximately 15,000,000 records that cover healthcare periodicals, newspaper and newswire services, general interest magazines, business and technology publications and academic journals.

18. Defendant Northern Light is a Delaware Corporation. Northern Light, through its Special Collection, provides, for a fee, Online access to over 6,200 respected full-text publications in a wide variety of subject areas including general interest, medical, financial, academic and newspapers.

19. Defendant Bell & Howell is a Delaware Corporation. Bell & Howell, through ProQuest formerly known as "UMI", provides, for a fee, Online access to one of the world's largest collections of information including summaries of articles from over 8,000 publications with many in full text, full image format.

20. Defendant Thomson Corporation is the ultimate parent corporation of the Gale Group, the West Group and Thomson Business Information.

21. Defendant Thomson Business Information a business unit of the Thomson Corporation.

22. Defendant Reed Elsevier, Inc. is a Massachusetts Corporation. Lexis Nexis is a division of Reed Elsevier, Inc. and is an Online subscription fee publisher of more than one thousand two hundred scientific, legal and business informational journals. Lexis Nexis displays, reproduces, sells and/or distributes full text articles Online.

23. Defendant the West Group is a division of West Publishing Company, a Minnesota corporation, and a subsidiary of the Thomson Corporation. (hereinafter the "West Group"). The West Group is an Online subscription fee publisher of legal, newspaper, scientific and business information journals. The West Group displays, reproduces, sells and/or distributes full text articles Online.

24. Defendant Dow Jones Interactive is a Delaware corporation. Dow Jones Interactive, for a fee, sells full text articles Online on a wide variety of business and general topics.

25. Defendant Mediastream is a Pennsylvania corporation. Mediastream for a fee, offers Online full text of freelance newspaper articles published in a variety of newspapers.

26. Defendant Union Tribune is a California corporation. Defendant Union Tribune displays, distributes, and reproduces Online full text of freelance newspaper articles.

JURISDICTION AND VENUE

27. This Court has original jurisdiction of the subject matter of the copyright infringement claim under 17 U.S.C. §101 et seq., with jurisdiction vested in this Court pursuant to 28 U.S.C. § 1331 (federal question jurisdiction), 28 U.S.C. §1338(a) (acts of Congress relating to copyrights) and 28 U.S.C. 2201 (declaratory relief).

28. Venue properly lies in this Judicial District pursuant to 28 U.S.C. §1391(b)(2) and (c) because the Defendants and the Thomson Defendants have engaged in substantial acts of infringement within this Judicial District. Venue is also proper in this District York pursuant to 28 U.S.C. §1391(b)(1) because Defendants and Thomson Defendants are subject to personal jurisdiction in this Judicial District and reside in this Judicial District pursuant to 28 U.S.C. § 1391(c).

CLASS ALLEGATIONS

29. Plaintiffs bring this action on behalf of themselves and all others similarly situated, as members of the proposed class. The general class (hereinafter the "Class") whom the representative Plaintiffs in this action seek to represent is comprised of the following:

(a) All persons who own a registered copyright in or own the copyright and have filed an application for registration in at least one Copyrighted Work that was created and first published after December 31, 1977, and which was distributed, displayed, reproduced and/or sold by Defendant within three years of the date

of the filing of this Complaint or at any time thereafter. Excluded from this Class are: (1) all of the Defendants, the Thomson Defendants, and their respective entities in which they have a controlling interest; (2) the employees, officers, directors, and legal representatives of the Defendants, the Thomson Defendants and the respective entities in which they have a controlling interest; and (3) the heirs, successors, assigns and legal representatives of any of the individuals identified in subparagraph (2) above.

30. This Action has been brought and may properly be maintained as a Class Action pursuant to Federal Rules of Civil Procedure, Rule 23:

31. Numerosity of the Class - Fed. R. Civ. Proc. 23(a)(1): The persons and/or entities in the Class are so numerous that the joinder of all such persons is impractical and the disposition of their claims in a Class Action rather than in individual actions will benefit the parties and the Court.

32. Existence and Predominance of Common Question of Law and Fact - Fed. R. Civ. Proc. 23(a)(2) & 23(b)(3): There is a well-defined community of interest in the questions of law and fact involved affecting the plaintiff Class. Questions of law and fact common to the Class include, but are not limited to, the following:

(a) Whether Defendants' Online continuous and systematic distribution, display, reproduction, and sale of the Plaintiffs' and the Class' Copyrighted Works Online and the

Thomson Defendants actions in support thereof constitute violations of Federal Copyright Act;

(b) Whether Defendants and Thomson Defendants acted willfully with respect to the acts complained of herein and the rights of the Plaintiffs and the Class;

(c) Whether Plaintiffs and the Class are entitled to damages, statutory damages, restitution and/or injunctive relief, as requested herein.

These questions of law and fact predominate over questions that affect only individual Class members.

33. Typicality - Fed. R. Civ. Proc. 23(a)(3): The claims of Plaintiffs are typical of those of the Class, and Plaintiffs will fairly and adequately represent the claims and interests of the Class.

34. Adequacy of Representation - Fed. R. Civ. Proc. 23(a)(4): Plaintiffs are adequate representatives of the Class and will fairly and adequately protect the interests of the Class. Plaintiffs' interests do not in anyway conflict with the interests of the members of the Class which they seek to represent. Plaintiffs are committed to the vigorous prosecution of this action and have retained competent counsel experienced in complex class action litigation and experienced in Copyright actions to represent them. Plaintiffs anticipate no difficulty in the management of this litigation as a Class Action.

35. Injunctive Relief - Fed. R. Civ. Proc. 23(b)(2): Defendants and Thomson Defendants have acted or refused to act on grounds generally applicable to the class by failing to obtain prior authorization from Class members to distribute, display, reproduce and/or sell Class members' Copyrighted Works and by willfully infringing at least one work of each Class member, thereby making appropriate final injunctive relief with respect to the Class as a whole.

36. Superiority - Fed. R. Civ. Proc. 23(b)(3): A class action is the best available method for fair and efficient adjudication of this controversy. The members of the Class are so numerous that the joinder of all members is impracticable, if not impossible. Since the damages suffered by individual Class members, while not inconsequential, may be relatively small, the expense and burden of individual litigation make it impractical for members of the Class to seek redress individually for the wrongful conduct alleged herein. Should separate actions be required to be brought by each individual member of the Class, the resulting multiplicity of lawsuits would cause undue hardship and expense on the Court and the litigants.

37. Most acts of infringement alleged herein will go unnoticed and undiscovered by the individual Class members because of Defendants' willful failure to notify the Class members of the display, reproduction, distribution and/or sale of their Copyrighted Works. A class action is therefore the best method to assure that the wrongful conduct alleged herein is remedied, and that there

is a fair, efficient, and full adjudication of this controversy.

GENERAL ALLEGATIONS

38. Defendants compiled databases containing many thousands of article listings and/or unauthorized copies of Copyrighted Works, which can be accessed by consumers Online or by other means and searched by subject matter, author name, and article or periodical title. After viewing these databases, consumers can purchase unauthorized full text copies of individual articles for a fee ultimately payable to the Defendants.

39. Defendants have initiated and directed that Copyrighted Works be electronically reproduced, displayed, distributed and/or sold, and continue to initiate and direct that Copyrighted Work's be electronically reproduced, displayed, distributed and sold without the Plaintiffs' or Class members' authorization.

40. Defendants have a pattern and practice of and continue to electronically distribute, display, reproduce and/or sell Copyrighted Works for profit which Defendants knew or know were protected by copyright, without the Plaintiffs' or Class members' authorization.

41. Defendants have a pattern and practice of and continue to electronically reproduce, display, distribute and/or sell, copies of Copyrighted Works for profit which Defendants should reasonably have known were protected by copyright, without the Plaintiffs' or Class members' authorization.

42. As early as September 9, 1994, Gale Corporation, when it was still named Information Access Company, was put on notice by the NWU that the company's practice of electronically distributing, displaying, reproducing and/or selling Copyrighted Works infringed upon authors' copyrights.

43. As early as January 24, 1998, Northern Light was put on notice by the NWU that the company's Special Collections business unit's practice of electronically distributing, displaying, reproducing and/or selling Copyrighted Works infringed upon authors' copyrights. Again, on August 22, 2000 Northern Light was again put on notice by Ms. Sherman that the company's Special Collections business unit's practice of electronically distributing, displaying, reproducing and/or selling Copyrighted Works infringed upon authors' copyrights.

44. As early as February 2, 1995, the Thomson Defendants were put on notice by the NWU that the business practices of Information Access Company, which became the Gale Group, of electronically distributing, displaying, reproducing and/or selling Copyrighted Works infringed upon authors' copyrights.

45. Defendants and Thomson Defendants' acts have caused, and unless restrained, will continue to cause one or more Plaintiffs and the Class to suffer substantial damages and irreparable injury, through:

(a) continued infringements of their Copyrighted Works;

(b) depreciation of value and ability to license and sell their Copyrighted Works; and

(c) damage to their goodwill and reputation.

46. Plaintiffs and the Class have suffered damages from these unlawful practices of Defendants and the Thomson Defendants, and believe that they will continue to suffer such damages unless Defendants and the Thomson Defendants are enjoined and restrained by this Court from infringing their copyrights.

COUNT ONE

Copyright Infringement in Violation of Title 17 of the United States Code (17 U.S.C. 101 et. seq.)

47. Plaintiffs and the Class members similarly situated, reallege and incorporate by reference as if fully set forth herein the allegations contained in paragraphs 1 through 46, inclusive, as if set forth in full as part of Count One.

48. Plaintiffs, or in the case of the NWU its members, are the owner of a valid registered copyright, or have filed an application for registration, in and to at least one literary work that has been distributed, displayed, reproduced and/or sold by one or more Defendants, for a fee ultimately received by the Defendants, without authorization from Plaintiffs, or in the case of the

NWU, its members. Each such work is an original work of authorship and copyrightable subject matter under 17 U.S.C. §101 et. seq. Registrations in the name of each named Plaintiff, or its predecessor, have been issued by the United States Copyright Office or have been applied for as follows:

Plaintiff	**Work**	**Registration Number**
Gerald Posner	Citizen Perot	TX 4-489-623
Mitford Trust	American Way of Birth	TX-3-465-577
Jay Feldman	Roberto Clemente	TX 5-119-887
Castleman Inc.	The .02 Percent Solution	TX 5-113-560
Robin Vaughan	Van Gogh	Pending
Mary Sherman	Reflexion	Pending
Miriam Raftery	Natural Environments	TX-5-154-058
Paula McDonald	Ocean	Pending
P/K	Computers	Pending

49. The above named Plaintiffs are the exclusive owners in and to the copyrights associated with the Copyrighted Works alleged herein.

50. Each work was created and first published after December 31, 1977.

51. One or more Defendants had access to each work.

52. Gale Group electronically distributed, displayed, reproduced and/or sold portions of Castleman Inc's "The .02 Percent Solution", Mr. Feldman's Roberto Clemente, and the Mitford Trust's "American Way of Birth" without authorization from the Plaintiffs. Gale Group's infringement was willful.

53. Bell & Howell electronically distributed, displayed, reproduced and sold portions of Mr. Posner's Citizen Perot, Castleman, Inc's "The .02 Percent Solution". Ms. Vaughan's Van Gogh and Ms. Sherman's Reflexion without authorization from Plaintiffs. Bell & Howell's infringement was willful.

54. Northern Light electronically distributed, displayed, reproduced and/or sold Castleman Inc.'s "The .02 Percent Solution", Ms. Vaughan's Van Gogh, Ms. Sherman's Reflexion, Ms. McDonald's Ocean and Ms. Raftery's Natural Environments without authorization from Plaintiffs. Northern Light' infringement was willful.

55. Lexis/Nexis electronically distributed, displayed, reproduced and/or sold Ms. Vaughan's

Van Gogh, Ms. Sherman's Reflexion, Ms. McDonald's Ocean and Ms. Raftery's Natural Environments with authorization from Plaintiffs. Lexis-Nexis' infringement was willful.

56. West Group electronically distributed, displayed, reproduced and/or sold Ms. Vaughan's Van Gogh, Ms. Sherman's Reflexion, Ms. McDonald's Ocean and Ms. Raftery's Natural Environments without authorization from Plaintiffs. The West Group's infringement was willful.

57. Dow Jones Interactive electronically distributed, displayed, reproduced and/or sold Ms. Vaughan's Van Gogh, Ms. Sherman's Reflexion, Ms. McDonald's Ocean and Ms. Raftery's Natural Environments without authorization from Plaintiffs. Dow Jones Interactive's infringement was willful.

58. Mediastream electronically distributed, displayed, reproduced and/or sold P/K's Computer without authorization from it. Mediastream's infringement was willful.

59. The Union Tribune electronically distributed, displayed, reproduced and/or sold Ms. McDonald's Ocean and Ms. Raftery's Natural Environments without authorization from Plaintiffs. The Union Tribune's infringement was willful. As early as November 6, 1995, the Union Tribune was put on notice that the company's practice of electronically distributing, displaying, reproducing and/or selling Copyrighted Works infringed upon authors' copyrights.

60. As a result of Defendants' willful acts of copyright infringement and the foregoing allegations, the Plaintiffs, other than the NWU, have suffered damages as more fully set forth in the Prayer of this Complaint.

Wherefore, Plaintiffs pray for relief in Count One as set forth below.

COUNT TWO

Vicarious Copyright Infringement

61. Plaintiffs and the Class members similarly situated, reallege and incorporate by reference as if fully set forth herein the allegations contained in paragraphs 1 through 60, inclusive, as if set forth in full as part of Count Two.

62. At all times material herein, Gale Group had the ability to control the conduct of its business units that offer Online electronic databases of Copyrighted Works. As early as September 9, 1994, Gale Corporation, when it was still named Information Access Company, was put on notice by the NWU that the company's practice of electronically distributing, displaying, reproducing and/or selling Copyrighted Works infringed upon authors' copyrights. Gale Group knew of the infringing activity of its' business units that offer Online electronic databases of Copyrighted Works and derived a substantial financial benefit therefrom.

63. At all times material herein, Gale Group had the ability to control the conduct of its business units that offer Online electronic

databases of Copyrighted Works and that were encouraging, facilitating and/or inducing their customers to infringe Copyrighted Works by displaying and reproducing unauthorized Copyrighted Works supplied by the business unit. Gale Group knew that its business units that offer Online electronic databases of Copyrighted Works were encouraging, facilitating and/or inducing their customers to engage in such conduct. Gale Group derived a substantial financial benefit from its business units' above described conduct.

64. At all times material herein, Thomson Business had the ability to control the conduct of its business units known as the Gale Group that offered Online electronic databases of Copyrighted Works. Thomson Business knew of as early as February 2, 1995 that the Gale Group, then named the Information Access Company, was distributing, displaying, reproducing and/or selling Copyrighted Works that infringed on authors' rights. Thomson Business, as part of the business unit of the Gale Group, derived substantial financial benefit from the Gale Group's infringing conduct. Thomson Business's vicarious infringement was willful.

65. At all times material herein, Thomson Business had the ability to control the conduct of its business units known as the Gale Group that offered Online electronic databases of Copyrighted Works. Thomson Business knew the Gale Group was encouraging, facilitating and/or inducing their customers to infringe Copyrighted Works by displaying and reproducing unauthorized Copyrighted Works supplied by the business unit.

Thomson Business, as part of the business unit of the Gale Group, derived substantial financial benefit from the Gale Group's infringing conduct. Thomson Business's vicarious infringement was willful.

66. At all times material herein, Thomson had the ability to control the conduct of its business units known as the Gale Group and the West Group that offered Online electronic databases of Copyrighted Works. Thomson knew of as early as December 1994 that the Gale Group, then named the Information Access Company, was distributing, displaying, reproducing and/or selling Copyright Works that infringed authors' rights. Thomson, as the ultimate parent corporation, derived substantial financial benefit from the Gale Group's an the West Group's infringing conduct. Thomson's vicarious infringement was willful.

67. At all times material herein, Thomson had the ability to control the conduct of its business units known as the Gale Group and the West Group that offered Online electronic databases of Copyrighted Works. Thomson knew the Gale Group and the West Group was encouraging, facilitating and/or inducing their customers to infringe Copyrighted Works by displaying and reproducing unauthorized Copyrighted Works supplied by the business unit. Thomson as the ultimate parent corporation of the Gale Group and the West Group, derived substantial financial benefit from the Gale Group's infringing conduct. Thomson's vicarious infringement was willful.

68. At all times material herein, Northern Light had the power to control the conduct of its Special Collection business unit that offered Online electronic databases of Copyrighted Works. As early as January 24, 1998, Northern Light knew that its Special Collections business unit was distributing, displaying, reproducing and/or selling Copyrighted Works that infringed authors' rights. Northern Light derived a substantial financial benefit from the infringing conduct of its Special Collections business unit. Northern Light's vicarious infringement was willful.

69. At all times material herein, Bell & Howell had the power to control the conduct of its ProQuest business unit that offered Online electronic databases of Copyrighted Works. Bell & Howell knew that ProQuest was distributing, displaying, reproducing and/or selling Copyrighted Works that infringed authors' rights. Bell & Howell derived a substantial financial benefit from the infringing conduct of its ProQuest business unit. Bell & Howell's vicarious infringement was willful.

70. At all times material herein, the Defendants had the power to control their online business units that were publishing Copyrighted Works Online, knew that the business practices of their Online business units were infringing on writer's copyrights and derived substantial financial benefits from the infringing conduct of those business units.

Wherefore, Plaintiffs pray for relief on Count Two as set forth below.

COUNT THREE

Contributory Copyright Infringement

71. Plaintiffs and the Class members similarly situated, reallege and incorporate by reference as if fully set forth herein the allegations contained in paragraphs 1 through 70, inclusive, as if set forth in full as part of Count Three.

72. Defendants and Thomson Defendants encouraged, facilitated and/or induced Online customers to purchase unauthorized electronic reproductions of Copyrighted Works and display and reproduce those Copyrighted Works without authorization from Plaintiffs. Defendants and Thomson Defendants knew that neither they nor the online customers were authorized to distributed, display, reproduce and/or sell the Copyrighted Works. Defendants and Thomson Defendants derived a substantial financial benefit from the infringing conduct of the online customers.

73. At all times material herein, Gale Group, with the knowledge that its business units that offered Online electronic databases of Copyrighted Works were infringing authors' rights, encouraged, facilitated and/or induced the infringing conduct through advertising, through its website and by supporting those business units. Gale Group derived a substantial financial benefit from the infringing conduct of its business unit. Gale Group's contributory infringement was willful.

74. At all times material herein, Northern Light, with the knowledge that its Special Collection business unit was infringing on authors' rights, encouraged, facilitated and/or induced the infringing activity through advertising, through its website and by supporting that business unit. Northern Light derived a substantial financial benefit from the infringing conduct of its Special Collections business unit. Northern Light's contributory infringement was willful.

75. At all times material herein, Bell & Howell, with the knowledge that its ProQuest business unit that offered Online electronic databases of Copyrighted Works was infringing authors' rights, encouraged, facilitated and/or induced the infringement through advertising, its website and by supporting that business unit. Bell & Howell derived a substantial financial benefit from the infringing conduct of its ProQuest business unit. Bell & Howell's contributory infringement was willful.

76. At all times material herein, the Defendants, with the knowledge that their Online business units that offered electronic databases of Copyrighted Works were infringing on authors' rights, encouraged, facilitated and/or induced the infringement by supporting those activities both on their websites and otherwise and affirmatively encouraging the continuation of the infringing business activities and supporting those business units in that conduct. The Defendants derived a substantial financial benefit from the infringing conduct of their Online business units. The Defendants contributory infringement was willful.

Wherefore, Plaintiffs pray for relief on Count Three as set forth below.

COUNT FOUR

Declaratory Relief

77. Plaintiffs and the Class members similarly situated, reallege and incorporate by reference as if fully set forth herein the allegations contained in paragraphs 1 through 76, inclusive, as if set forth in full as part of Count Four.

78. An actual controversy exists between the Plaintiffs and the Class Members, on the one hand, and the Defendants and Thomson Defendants, on the other hand in that Plaintiffs and Class Members contend and the Defendants and Thomson Defendants dispute that Defendants may not display, distribute, sell or reproduce Copyrighted Works without the prior authorization of the copyright holder.

79. Plaintiffs and the Class Members are entitled to a judgment declaring that the Defendants practice of displaying, distributing, selling and reproducing Copyrighted Works until the copyright holder complains constitutes infringement of the Copyrighted Works.

WHEREFORE, Plaintiffs pray for relief on Count Four as set forth below.

PRAYER

WHEREFORE, Plaintiffs on behalf of themselves and others similarly situated pray for relief and

that judgment be entered against Defendants and Thomson Defendants on COUNT ONE, TWO AND THREE as follows:

1. Defendants and, their officers, agents, employees, servants, representatives, and all persons acting in concert or privity with them, be preliminarily and permanently enjoined from distributing, displaying, reproducing, and/or selling any Copyrighted Works without the express written authorization of the copyright owners or expressly authorized licensee to each and every Copyrighted Work;

2. Defendants, their officers, agents, employees, servants, representatives, and all persons acting in concert or privity with them be preliminarily and permanently enjoined from continuing directly or indirectly to infringe Copyrighted Works.

3. The Thomson Defendants, their officers, agents, employees, servants, representatives and all persons acting in concert or privity with them in connection with the Gale Group be preliminarily and permanently enjoined from continuing indirectly to infringe the Copyrighted Works.

4. Defendants and Thomson Defendants be required to account and pay to Plaintiffs and the Class all profits derived by Defendants and Thomson Defendants as a result of the activities complained of herein;

5. Defendants and Thomson Defendants be required to pay statutory damages in an amount

to be established at trial by virtue of 17 U.S.C. § 504 to Plaintiffs and the Class members so similarly situated;

6. Defendants and Thomson Defendants be required to pay to Plaintiffs and the Class their actual damages sustained as a result of the activities complained of herein in an amount to be proven at trial;

7. Defendants and Thomson Defendants be required to pay Plaintiffs' and the Class's costs and reasonable attorneys' fees;

8. Defendants and Thomson Defendants be required to pay Plaintiff's interest on all damages as and from the date of first infringement; and

9. For such other and further relief as this Court deems reasonable and proper.

WHEREFORE, Plaintiffs on behalf of themselves and others similarly situated pray for relief and that judgment be entered against Defendants and Thomson Defendants on COUNT FOUR as follows:

1. For a judgment declaring that the Defendants practice of displaying, distributing, selling and reproducing Copyrighted Works until the copyright holder complains constitutes infringement of the Copyrighted Works.

2. Defendants, their officers, agents, employees, servants, representatives, and all persons acting in concert or privity with them be preliminarily and permanently enjoined from

continuing directly or indirectly to infringe Copyrighted Works.

3. The Thomson Defendants, their officers, agents, employees, servants, representatives and all persons acting in concert or privity with them in connection with the Gale Group be preliminarily and permanently enjoined from continuing indirectly to infringe the Copyrighted Works.

4. For such other and further relief as this Court deems reasonable and proper.

Dated: New York, New York

September 28, 2000

BROBECK, PHLEGER & HARRISON LLP

Signature Omitted

By: _____

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ATTORNEYS FOR PLAINTIFFS

Demand for Jury Trial Omitted

COMPLAINT IN *AUTHORS GUILD V. DIALOG CORP.*, NO. 00-CIV-6049 (S.D.N.Y.), DATED SEPT. 29, 2000

Caption Omitted

Plaintiffs allege as follows

1. Plaintiffs bring this action pursuant to the Copyright Act of 1976 as amended, 17 U.S.C. § 101, et seq., for damages and injunctive relief for infringement of copyright and for declaratory judgment pursuant to 28 U.S.C. § 2201.

2. As hereinafter alleged, plaintiff The Authors Guild, Inc. ("The Authors Guild") is a nonprofit membership organization that represents book authors and freelance writers whose works were excerpted, reproduced and/or distributed, and which at all times from the first such act until the present have continued to be excerpted, reproduced and/or distributed, by defendants by means of their electronic databases or electronic database products (hereinafter "electronic databases") without the consent of the authors and writers of such works and without payment to the authors and writers for the right to excerpt, reproduce or distribute their works.

3. As hereinafter alleged, the individual plaintiffs, who are also representatives of the plaintiff class (hereinafter, the "Named Plaintiffs"), are book authors and freelance writers whose works were and continue to be infringed by defendants by, among other things and without

limitation, reproducing, distributing, displaying, excerpting, publishing, caching, uploading, downloading, transmitting and storing such works by electronic means and/or whose works were infringed by defendants by their licensing or purporting to license to third persons rights to such works, all without the consent of the authors and writers and without payment to them for such uses.

Jurisdiction and Venue

4. This Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1331 and 28 U.S.C. § 1338(a).

5. Venue is proper in this judicial district, pursuant to 28 U.S.C. § 1391(b) and (c), because each of the defendant corporations does business in this judicial district.

PARTIES

The Associational Plaintiff

6. Plaintiff The Authors Guild is a not-for-profit corporation organized under New York law and having its place of business at 33 0 West 42nd Street, New York, New York. Plaintiff The Authors Guild has three categories of membership: "Regular Members" are book authors published by an established American publisher who have had a book in print within the last seven years, and freelance writers who have published three works of fiction or non-fiction in a periodical of general circulation within the last eighteen months; "Associate Members" are

authors who have a contract with an established American publisher for a work not yet published, and "Members-at-Large" are literary agents, heirs, trustees or executors of the estates of deceased members, attorneys and accountants representing authors and book authors whose books have been out-of-print for more than seven years. Only Regular Members have voting rights in The Authors Guild. The Authors Guild has in excess of 8,000 members.

7. The activities of plaintiff The Authors Guild include reviewing members' publishing and agency contracts; intervention in publishing disputes involving authors' rights; providing advice to members of developments in the law and in publishing that affect their rights, and advocating legislation in matters affecting freedom of expression, copyright, taxation and other issues affecting authors. The rights of book authors and freelance writers that plaintiff The Authors Guild seeks to vindicate in this action are rights that its members possess individually.

The Named Plaintiffs

8. (a) Plaintiff Letty Cottin Pogrebin, who resides in New York City, is a professional writer. Plaintiff Pogrebin is a member and President of The Authors Guild.

(b) Plaintiff Pogrebin is the author of eight books, as to each of which she owns the copyright and as to each of which her claim to copyright was registered within three months of publication. Excerpts of plaintiff Pogrebin's

books, bearing copyright notice in her name, have appeared in publications as follows:

Book	Excerpt	Publication
Deborah, Golda and Me	"Different Kinds of Survival"	The Nation, 9/23/91
Getting Over Getting Older	"Time Is All There Is"	Tikkun, 5/96
Deborah, Golda and Me	"Mother, I Wish I'd Known You"	Good Housekeeping, 5/92

(c) Plaintiff Pogrebin has also written hundreds of freelance articles, that have appeared in magazines and newspapers, for which she owns the copyrights and for which copyright was registered as collective works pursuant to 17 U.S.C. § 201(c). Prior to commencing this action, plaintiff Pogrebin registered her copyright in 21 such articles, listed in Exhibit A hereto.

(d) At no time has plaintiff Pogrebin authorized defendants or any of them to reproduce, distribute, display, excerpt, publish, cache, upload, download, transmit or store works written by her or to license or purport to license to third persons rights to such works or to use such works in any other manner.

9. (a) Plaintiff James Gleick, who resides in Garrison, New York, is a professional author who writes and publishes' widely on scientific and other subjects. Plaintiff Gleick' is a member and Vice President of The Authors Guild.

(b) Plaintiff Gleick is the author of several books, as to each of which he owns copyright and as to each of which his claim to copyright was registered within three months of their publication. Excerpts of plaintiff Gleick's books, bearing copyright notice in his name, have appeared in publications as follows:

Book	Excerpt	Publication
Genius: The Life and Science of Richard Feynman	"Part Showman, Part Genius"	N.Y. Times Magazine, 9/20/92
Chaos: Making a New Science	"New Images of chaos"	Smithsonian, 12/87

(c) Plaintiff Gleick has also written numerous freelance articles that have appeared in magazines, for which articles he owns copyright and for which articles copyright was registered as collective works pursuant to 17 U.S.C. § 201(c). Prior to commencing this action, plaintiff Gleick registered his copyright in 25 articles, listed in Exhibit B hereto.

(d) At no time has plaintiff Gleick authorized defendants or any of them to reproduce, distribute, display, excerpt, publish, cache, upload, download, transmit or store works written by him or to license or purport to license to third persons rights to such works or to use such works in any other manner.

10. (a) Plaintiff Andrea Dworkin, who resides in Brooklyn, New York, is a member of the Authors Guild. Plaintiff Dworkin is a teacher, scholar and writer.

(b) Dworkin is the author of various essays and articles, as to each, of which she owns copyright and for each of which was registered by her within three months of publication. An essay by plaintiff Dworkin, titled "The Unremembered," was published in Ms. Magazine in November 1994, bearing notice of copyright by plaintiff Dworkin.

(c) At no time has plaintiff Dworkin authorized defendants or any of them to reproduce, distribute, display, excerpt, publish, cache, upload, download, transmit or store works written by her or to license or purport to license to third persons rights to such works or to use such works in any other manner.

11. (a) Plaintiff Tom Dunkel, who resides in Washington, D.C., is a professional journalist and writer.

(b) Plaintiff Dunkel has written numerous articles as to which he owns copyright and for which copyright was registered by him either (i) at the time of their publication or (ii) prior to bringing this action. Exhibit C hereto lists 46 articles for which copyright was registered by plaintiff Dunkel.

(c) At no time has plaintiff Dunkel authorized defendants or any of them to reproduce, distribute, display, excerpt, publish,

cache, upload, download, transmit or store works written by him or to license or purport to license to third persons rights to such works or to use such works in any other manner.

12. (a) Plaintiff Marie Winn, who resides in New York City, is a writer and a member of The Authors Guild.

(b) Plaintiff Winn has written numerous articles that have been published in newspapers and magazines, as to each of which plaintiff Winn owns copyright and for which copyright was registered as collective works pursuant to 17 U.S.C. § 201(c). Prior to bringing this action, plaintiff Winn registered her individual copyright in 20 such articles, as listed in Exhibit D hereto.

(c) At no time has plaintiff Winn authorized defendants or any of them to reproduce, distribute, display, excerpt, publish, cache, upload, download, transmit or store works written by her or to license or purport to license to third persons rights to such works or to use such works in any other manner.

13. (a) Plaintiff E.L. Doctorow, who resides in New York City, is a professional author and a member of the Authors Guild.

(b) Plaintiff Doctorow has written novels and short stories that have been published in book form, as to each of which plaintiff Doctorow owns copyright and for which plaintiff Doctorow's copyright in respect of each such work was registered within three months of its publication. A short story written by plaintiff Doctorow, titled

"Willi, A Short Story," as to which plaintiff Doctorow owns copyright and for which copyright was registered by him at or about the time of its publication, appeared in Atlantic Monthly in May 1984.

(c) At no time has plaintiff Doctorow authorized defendants or any of them to reproduce, distribute, display, excerpt, publish, cache, upload, download, transmit or store works written by him or to license or purport to license to third persons rights to such works or to use such works in any other manner.

14. (a) Plaintiff Donald Spoto, who resides in Los Angeles, California, is a member of the Authors Guild. Plaintiff Spoto is a professional writer of biographies.

(b) Plaintiff Spoto is the author of a biography titled Marilyn Monroe: The Biography, as to which he owns copyright and for which copyright was registered in his name at the time of its publication. An excerpt from the aforesaid work, as to which plaintiff Spoto owns copyright, and bearing copyright notice in the name of plaintiff Spoto, was published in Good Housekeeping in April 1993.

(c) At no time has plaintiff Spoto authorized defendants or any of them to reproduce, distribute, display, excerpt, publish, cache, upload, download, transmit or store works written by him or to license or purport to license to third persons rights to such works or to use such works in any other manner.

15. (a) Plaintiff Robley Wilson, who resides in Winter Park, Florida, is a member of the Authors Guild. Plaintiff Wilson is a writer of poetry and short stories.

(b) Plaintiff Wilson is the author of four books of stories, three books of poetry, and one novel, and is co-editor of two anthologies of works by other writers. In addition, poems and stories written by plaintiff Wilson have been anthologized. Plaintiff Wilson owns copyright in each of the aforesaid books, and poems and stories written by Wilson that have been anthologized, and each were registered within three months of their publication to claim copyright protection in the name of plaintiff Wilson. In particular: (i) A story called "Africa" by plaintiff Wilson, bearing notice of copyright in his name, was published in a 1989 anthology; (ii) a story by plaintiff Wilson called "A Day of Splendid Omens" was published in excerpted form, also bearing notice of copyright in plaintiff Wilson's name, in TriQuarterly in Fall 1998.

(c) Poems and stories written by plaintiff Wilson have been anthologized, and/or published in magazines and literary journals. Poems by plaintiff Wilson, as to which he owns copyright and as to which his claim to copyright has been registered, appeared on February 1, 1999 in Poetry Magazine as follows: "An Epitaph For Lovers", "On Self Improvement" and "Old Movies".

(d) At no time has plaintiff Wilson authorized defendants or any of them to reproduce, distribute, display, excerpt, publish,

cache, upload, download, transmit or store works written by him or to license or purport to license to third persons rights to such works or to use such works in any other manner.

16. (a) Plaintiff Ronald Hayman is a citizen of the United Kingdom who resides in London. Plaintiff Hayman is a professional writer and is a member of The Authors Guild.

(b) Plaintiff Hayman has written books and articles, as to which he owns copyright. Such an article by Hayman, titled "Having Wonderful Sex, Wish You Were Here," was published in the New York Times on July 19, 1992.

(c) At no time has plaintiff Hayman authorized defendants or any of them to reproduce, distribute, display, excerpt, publish, cache, upload, download, transmit or store works written by him or to license or purport to license to third persons rights to such works or to use such works in any other manner.

17. (a) Plaintiff Robert Lacey, a citizen of the United Kingdom who resides in London, is a writer and member of The Authors Guild.

(b) Plaintiff Lacey has written books and articles, as to each of which he owns. Such articles by plaintiff Lacey appeared in publications as follows:

Title	Publication
"Alone Together"	Life, 8/92
"Brutal Businessman"	Chicago Tribune, 8/21/94

(c) At no time has plaintiff Lacey authorized defendants or any of them to reproduce, distribute, display, excerpt, publish, cache, upload, download, transmit or store works written by him or to license or purport to license to third persons rights to such works or to use such works in any other manner.

Defendants

18. Defendant The Dialog Corporation ("Dialog") is a corporation that has its principal place of business in Cary, North Carolina. In May 2000 Dialog was acquired by defendant Thomson. Dialog's electronic data bases store over nine terabytes of information (the equivalent of six billion pages) , which are made accessible via the Internet to corporate subscribers. Dialog creates, aggregates, maintains and furnishes users with access to electronic databases that infringe the copyrighted works of plaintiffs and class members.

19. Defendant Dow Jones Reuters Business Interactive, LLC, d/b/a Factiva ("Dow Jones Reuters"), is a limited liability company organized under the laws of the State of Delaware and having its principal place of business in New York, New York. Dow Jones Reuters is a joint venture of Dow Jones & Company, which publishes The

Wall Street Journal and Barron's and operates The Wall Street Journal Interactive Edition ("WSJ.com"), and Reuters, a global news agency. Subscribers to services offered by Dow Jones Reuters have access to current and past articles from 6000 newspapers, magazines and business-news sources. As of December 31, 1999, WSJ.com had over 375,000 subscribers, making it the largest paid subscription site on the Internet. Dow Jones Reuters creates, aggregates, maintains and furnishes users with access to electronic databases that infringe the copyrighted works of plaintiffs and class members.

20. Defendant Bell & Howell Company ("Bell & Howell") is a corporation organized under the laws of the State of Delaware, with its principal place of business in Skokie, Illinois. Bell & Howell operates Bell & Howell Information and Learning (formerly University Microfilms International). Through its ProQuest on line information system and via CD-ROM and magnetic tape, Bell & Howell provides access to its databases that include articles from over 20,000 periodicals and 7,000 newspapers. Bell & Howell aggregates the works of publishers and authors, creates proprietary abstracts and assembles thematic collections to facilitate access for its customers. Bell & Howell creates, aggregates, maintains and furnishes users with access to electronic databases that infringe the copyrighted works of plaintiffs and class members.

21. Defendant Reed Elsevier Inc. ("Reed Elsevier") is a corporation organized under the laws of the State of Massachusetts, with its

principal place of business in Newton, Massachusetts, and doing business in New York. Its parent companies are Reed International, P.L.C., a British company, and Elsevier NV, a Dutch company. Through its subsidiaries, Reed Elsevier provides information throughout the United States through print, CD-ROM and online services. Reed Elsevier companies include Elsevier Science, a leading publisher of scientific information, and LEXIS-NEXIS, a leading provider of information to legal, corporate and government markets. Reed Elsevier creates, aggregates, maintains and furnishes users with access to electronic databases that infringe the copyrighted works of plaintiffs and class members.

22. Defendant The Thomson Corporation is a corporation having its principal place of business in Eagan, Minnesota. Through its West Group Division ("West"), this defendant creates, aggregates and maintains for access to subscribers in excess of 13,000 electronic databases that cover legal and nonlegal subjects. West's electronic databases infringe the copyrighted works of plaintiffs and class members.

23. Defendant Northern Light Technology, Inc. ("Northern Light") is a corporation having its principal place of business in Cambridge, Massachusetts, Northern Light's databases contain and index the full text of more than 2.1 million documents, access to which Northern Light provides to subscribers for a fee.

24. Defendant EBSCO Industries, Inc. ("EBSCO") is a corporation with its principal office in Birmingham, Alabama and is in the business of creating and aggregating databases. Defendant Content Commerce L.P. is a limited partnership having a principal place of business in' New York, New York and does business as Contentville.com, a Web site which permits users to download for -a fee articles, books excepts and other materials published in many sources. On information and belief, defendant EBSCO supplies material stored on its databases that is made available to Contentville.com's users.

25. Defendant MediaStream, Inc. ("MediaStream") is a corporation that has its principal place of business in Philadelphia, Pennsylvania. MediaStream maintains databases on which are stored the content of articles, photos and text from newspapers, which MediaStream makes, available to subscribers for a fee.

26. Each of the defendants operates at least one electronic database or makes electronic database products. Each of the defendants includes in one or more of its electronic databases written works previously published in newspapers, magazines, and/or books, including works contributed to such publications by freelance authors. Each of the defendants has published, excerpted, reproduced, displaced, cashed, transmitted, distributed, stored, uploaded and/or downloaded, or licensed or purported to third persons, works written by freelance authors, without obtaining the license or permission of such authors to do so and without compensation to such authors. Each

of the defendants has thereby infringed the copyright of works of one or more of the Named Plaintiffs. Each of the defendants has profited and continues to profit from such infringement unauthorized reproduction and distribution.

Class Allegations

27. The Named Plaintiffs allege a Class consisting of all persons who, as of the commencement of the trial of this action, owned or shall own a copyright in at least one work that was created and first published after January 1, 1978, and which work was, among other things, and without limitation, reproduced, distributed, displayed, excerpted, published, cached, uploaded, downloaded, transmitted and stored by electronic or other means and/or whose works were infringed by defendants by their licensing or purporting to license to third persons rights to such works, all without the consent of the authors and writers and without payment to them for such uses.

28. The Class contains two subclasses, consisting of the following:

> Subclass 1: All authors who are members of the general Class and who own at least one registered copyright with an effective registration date that is earlier than the commencement of an act of infringement of the registered work committed by defendants, or that was registered within three months after

the first date of publication of the work. Named Plaintiffs Pogrebin, Gleick, Dworkin, Dunkel, Doctorow, Spoto and Wilson are members of Subclass 1;

Subclass 2: All authors who are members of the general Class and whose copyrights do not have an effective registration date that is earlier than the commencement of an act of infringement of the registered work committed by defendants, and that was not registered within three months after the first publication of the work. Named Plaintiffs Pogrebin, Gleick, Dworkin, Dunkel, Winn, Wilson, Hayman and Lacey are members of Subclass 2;

29. The exact number of members of the Class and each subclass is not known to plaintiffs, but plaintiffs estimate that the Class exceeds 10,000 persons, that each subclass exceeds 5,000 persons, and that the Class and each subclass is so numerous that joinder of individual members herein is impracticable.

30. Common questions of law and fact exist and predominate over any questions affecting only individual members of the Class. Common issues of fact and law include:

(a) whether defendants infringed the copyrights of the Named Plaintiffs and the Class members;

(b) whether such infringement was willful;

(c) whether the members of the Class have sustained damages and, if so, the proper measure of such damages.

31. The claims of the Named Plaintiffs are typical of the claims of the Class, in that the claims of all members of the Class, including the Named Plaintiffs, depend on a showing of the acts and/or omissions of defendants alleged herein.

32. No conflict exists as between the Named Plaintiffs and the other members of the Class with respect to this action or the claims for relief.

33. Plaintiffs are able to and will fairly and adequately protect the interests of the Class.

34. Plaintiffs are represented by counsel experienced in complex litigation and class action litigation.

35. The prosecution of separate actions by individual class members would create a risk of inconsistent or varying adjudications with respect to individual members of the Class, which would establish incompatible standards of conduct for the defendants.

36. Defendants have acted or refused to act on grounds generally applicable to the Class, thereby making appropriate final injunctive relief or corresponding declaratory relief with respect to the Class as a whole.

37. A class action is superior to the other available methods for fair and efficient adjudication of the' controversy.

COUNT I–Damages

(The Named Plaintiffs and The Class Against All Defendants)

38. The Named Plaintiffs repeat and reallege each and every allegation set forth in paragraphs 1 through 37 above as if fully set forth herein.

39. Defendants have infringed the copyrights of the Named Plaintiffs and the Class in their individual works by, among other things, and without limitation, reproducing, distributing, displaying, excerpting, publishing, caching, uploading, downloading, transmitting and storing by electronic and other means and or purporting to license to third persons rights to such works, all without the consent of the authors and writers and without payment to them for such uses.

40. Such infringement by defendants was willful.

41. As a result of such infringement, the Named Plaintiffs and the members of the Class have sustained damages and defendants have made profits.

COUNT II–Injunctive Relief
(All Plaintiffs Against All Defendants)

42. Plaintiffs repeat and reallege each and every allegation set forth in paragraphs 1 through 41 above as if fully set forth herein.

43. By, among other things and without limitation, reproducing, distributing, displaying, excerpting, publishing, caching, uploading, downloading, transmitting and storing by electronic and other means and or purporting to license to third persons rights the works of the Named Plaintiffs and the Class, all without the consent of the authors and writers and without payment to them for such uses, defendants continuously for a number of years have infringed the copyrights of the Named-Plaintiffs and the Class as hereinabove alleged. Further, defendants are continuing at present and will continue in the future to infringe such copyrights unless restrained by the Court.

44. Plaintiffs are entitled to an injunction barring defendants from continued infringement of the copyrights of the Named Plaintiffs and the Class.

COUNT III–Declaratory Judgment
(All Plaintiffs Against All Defendants)

45. Plaintiffs repeat and reallege paragraphs 1 through 44. as if set forth in full.

46. An actual controversy exists between The Authors Guild, the Named Plaintiffs and the Class on one hand, and defendants on the other hand,

by reason of defendants' threatened and continuing infringement of plaintiffs' copyrights and failure to cease and desist from, or to remedy, such infringement.

47. Plaintiffs are entitled to a judgment declaring that defendants actions are unlawful and, specifically, that they infringed and continue infringing plaintiffs' copyrights in violation of the Copyright Act.

PRAYER FOR RELIEF

WHEREFORE, plaintiffs demand judgment against each defendant as follows:

A. For certification of the Class, and each subclass;

B. For statutory damages and/or compensatory damages for the infringement of the copyrights of the Named Plaintiffs and the Class members and/or an award of defendants' infringing profits;

C. For an injunction prohibiting defendants from infringing the copyrights of the Named Plaintiffs and the Class;

D. For permanent injunctive and declaratory relief requiring defendants to compensate the Named Plaintiffs and Class members for future electronic republication of their copyrighted works;

E. For costs and attorneys' fees; and

F. For such other and further relief as the Court finds just and proper.

COMPLAINT IN *AUTHORS GUILD V. NEW YORK TIMES CO.*, NO. 01-CIV-6032 (S.D.N.Y.), DATED JULY 3, 2001

Caption Omitted

CLASS ACTION COMPLAINT

Plaintiff The Authors Guild, on behalf of its members, and named Plaintiffs Derrick Bell and Lynn Brenner (collectively "Named Plaintiffs"), individually and on behalf of all other persons similarly situated, by their attorneys, allege as follows:

1. Plaintiffs bring this action pursuant to the Copyright Act of 1976 as amended, 17 U.S.C. § 101, et seq., for damages and injunctive relief for infringement of copyright.

JURISDICTION AND VENUE

2. This Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1331, and 28 U.S.C. § 1338(a).

3. Venue is proper in this judicial district pursuant to 28 U.S.C. § 1391(b) and (c), since Defendant is subject to personal jurisdiction in this judicial district, and pursuant to and 28 U.S.C. § 1400(a) since Defendant and its agents reside and may be found in this judicial district.

PARTIES

The Associational Plaintiff

4. Associational Plaintiff The Authors Guild is a not-for-profit corporation organized under New York law and having its place of business at 330 West 42nd Street, New York, New York. The Authors Guild has three categories of membership: "Regular Members" are book authors published by an established American publisher who have had a book in print within the last seven years, and freelance writers who have published three works of fiction or non-fiction in a periodical of general circulation within the last eighteen months; "Associate Members" are authors who have a contract with an established American publisher for a work not yet published, and "Members-at-Large" are literary agents, heirs, trustees or executors of the estates of deceased members, attorneys and accountants representing authors and book authors whose books have been out-of-print for more than seven years. Only Regular Members have voting rights in The Authors Guild. The Authors Guild has in excess of 8,000 members.

5. The activities of The Authors Guild include reviewing members' publishing and agency contracts; intervention in publishing disputes involving authors' rights; providing advice to members of developments in the law and in publishing that affect their rights, and advocating legislation in matters affecting freedom of expression, copyright, taxation and other issues affecting authors. The rights of book authors and

freelance writers that The Authors Guild seeks to vindicate in this action are rights that its members possess individually.

The Named Plaintiffs

6. Named Plaintiff Derrick Bell ("Bell"), who resides in New York, New York, is a professor of law. He is presently a Visiting Professor at New York University Law School. Mr. Bell also is a professional author who has written numerous books and freelance articles. His books include Afrolantica Legacies, Third World Press (1998) and Constitutional Conflicts Anderson Press (1997). Mr. Bell also has published numerous articles as a freelance journalist which he owns the copyrights to, including several articles which were published in The New York Times and The Boston Globe, to which he owns and has registered the copyrights. The articles of Mr. Bell published in The New York Times include "A Commission on Race? Wow," June 14, 1997; "Et Tu, A.C.L.U.?" July 18, 1996; CIVIL RIGHTS: To Make A Nation Whole," September 13, 1987; and "REAGAN AND BLACK RIGHTS," November 25, 1980. Mr. Bell has never granted a license or otherwise consented to the reproduction, distribution or any other use of his works in Defendant's or any other electronic database. Nevertheless, Defendant has reproduced and distributed and continues to reproduce and distribute Mr. Bell's works in its electronic database. The freelance works written by Mr. Bell were included in collective works that were copyrighted by the publisher.

7. Named Plaintiff Lynn Brenner ("Brenner"), who resides in Brooklyn, New York, is a professional author who has written freelance articles, including the following works for which she owns and has registered the copyrights, and which were published in The New York Times: "A Time for Bargains in Co-op Insurance," Sunday, June 25, 1989; "Home Loans By Phone," Sunday July 2, 1989; "Making College Ends Meet," Sunday November 5, 1989; "Freshman Blues," Sunday January 7, 1990; "Costs of Living," Sunday August 5,1990; and "Trade School Homework," 1991. Ms. Brenner has never granted a license or otherwise consented to the reproduction, distribution or any other use of her works in Defendant's or any other electronic database. Nevertheless, Defendant has reproduced and distributed and continues to reproduce and distribute Ms. Brenner's works in its electronic database. The freelance works written by Ms. Brenner were included in collective works that were copyrighted by the publisher.

8. The plaintiff class (the "Class") consists of freelance authors whose works originally appeared in a print publication owned or controlled by Defendant, and which were reproduced, distributed, excerpted, published, uploaded, downloaded, and/or transmitted on Defendant's or any other electronic database without the consent of the authors and without payment to them for such uses.

9. Defendant The New York Times Company is a corporation organized under the laws of New York, with its principal place of business in New

York, New York. Defendant provides information throughout the United States through print and online services, including The New York Times, The New York Times Digital, The Boston Globe, and fourteen regional daily newspapers.

10. Defendant also operates an electronic database that includes written works previously published in newspapers, magazines, and/or books, including works contributed to those publications by freelance authors, including the Named Plaintiffs and other members of the Class. Defendant has published, excerpted, reproduced, distributed, displaced, transmitted, uploaded and/or downloaded works written by freelance authors without obtaining the license or permission of such authors and without compensating such authors. Defendant has thereby infringed the copyright of works of Plaintiffs. Defendant profits from this unauthorized reproduction, distribution and other such uses.

CLASS ALLEGATIONS

11. The Class consists of all authors who, at the time of the filing of this Complaint, owned a copyright in at least one work that was created and first published in a print publication owned or controlled by Defendant after January 1, 1978, and which work was, among other things, and without limitation, reproduced, distributed, displayed, excerpted, published, uploaded, downloaded, and/or transmitted in Defendant's or any other electronic database, all without the

authorization or consent of the authors and without payment to them for such uses.

12. The Class contains two subclasses, consisting of the following:

> Subclass 1: All authors who are members of the general Class and who own at least one registered copyright with an effective registration date that is earlier than the commencement of an act of infringement of the registered work committed by Defendant, or that was registered within three months after the first date of publication of the work;
>
> Subclass 2: All authors who are members of the general Class and whose copyrights do not have an effective registration date that is earlier than the commencement of an act of reproduction and distribution of the registered work committed by Defendant, and that was not registered within three months after the first publication of the work.

13. The exact number of members of the Class and each subclass is not known to the Named Plaintiffs, but, according to Defendant, the Class consists of approximately 27,000 persons. The Class and each subclass is so numerous that joinder of individual members herein is impracticable.

14. Common questions of law and fact predominate over any questions affecting only individual members of the Class. Common issues of fact and law include:

A. whether Defendant infringed the copyrights of the Named Plaintiffs and the Class members by reproducing and distributing works without obtaining a license or permission of the Named Plaintiffs and the Class;

B. whether such infringement was willful;

C. whether the members of the Class have sustained damages and, if so, the proper measure of such damages.

15. The claims of the Named Plaintiffs are typical of the claims of the Class, in that the claims of all members of the Class, including the Named Plaintiffs, depend on a showing of the acts arid/or omissions of defendant alleged herein.

16. No conflict exists as between the Named Plaintiffs and the other members of the Class with respect to this action or the claims for relief.

17. The Named Plaintiffs are able to and will fairly and adequately protect the interests of the Class.

18. The Named Plaintiffs are represented by counsel experienced in complex litigation and class action litigation.

19. The prosecution of separate actions by individual class members would create a risk of

inconsistent or varying adjudications with respect to individual members of the Class, which would establish incompatible standards of conduct for Defendant.

20. Defendant has acted or refused to act on grounds generally applicable to the Class, thereby making appropriate final injunctive relief with respect to the Class as a whole.

21. A class action is superior to the other available methods for fair and efficient adjudication of the controversy.

COUNT I

(Asserted by the Named Plaintiffs)

22. The Named Plaintiffs repeat and reallege the allegations above as if fully set forth herein.

23. Defendant has infringed the copyrights of the Named Plaintiffs and the Class in their individual works by, among other things, and without limitation, reproducing, distributing, displaying, excerpting, publishing, uploading, downloading, and/or transmitting such works in Defendant's electronic database without a license or other permission from the Named Plaintiffs or the Class, and without compensating the Named Plaintiffs or the members of the Class for such uses. Defendant also has infringed the copyrights of the Named Plaintiffs and the Class by purporting to license to electronic databases and other electronic media the copyrighted works of the Named Plaintiffs and the Class, without their authorization or consent.

24. As a result of such infringement, the Named Plaintiffs and the members of the Class have suffered damages and Defendant has made profits.

COUNT II

(Asserted by all Plaintiffs)

25. Plaintiffs repeat and reallege the allegations above as if fully set forth herein.

26. By, among other things and without limitation, reproducing, distributing, displaying, excerpting, publishing, uploading, downloading, and/or transmitting by electronic and other means the works of the Named Plaintiffs and the Class, all without the consent of the authors and writers and without payment to them for such uses, Defendant continuously for a number of years has infringed the copyrights of the Named Plaintiffs and the Class as herein above alleged. Defendant also has infringed the copyrights of the Named Plaintiffs and the Class by purporting to license their copyrighted works on electronic databases and other electronic media without the authorization or consent of the Named Plaintiffs or the Class. Further, Defendant is continuing at present and will continue in the future to so infringe such copyrights unless restrained by the Court.

27. Plaintiffs are entitled to an injunction barring Defendant from continued infringement of the copyrights of the Named Plaintiffs and the Class.

WHEREFORE, Plaintiffs and the Class demand judgment against Defendant as follows:

A. For certification of the Class, and each subclass;

B. For an injunction prohibiting Defendant from infringing the copyrights of the Named Plaintiffs and the Class;

C. For statutory damages and/or actual damages for the infringement of the copyrights of the Named Plaintiffs and the Class members and/or an award of Defendant's infringing profits;

D. For permanent injunctive relief requiring Defendant to compensate the Named Plaintiffs and the Class members for future electronic republication of their copyrighted works;

E. For costs and attorneys' fees; and

F. For such other and further relief as the Court deems equitable and proper.

Dated: July 3, 2001

Signature Omitted

/s/ Fredric S. Newman

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Counsel for Plaintiffs and the Class

CONSOLIDATED AMENDED CLASS ACTION COMPLAINT IN *IN RE LITERARY WORKS IN ELECTRONIC DATABASES COPYRIGHT LITIGATION*, MDL NO. 1379 (S.D.N.Y.), DATED SEPT. 20, 2001

Caption Omitted

Plaintiffs, for their Consolidated Amended Class Action Complaint against each of the defendants, by their attorneys allege as follows:

NATURE OF THE ACTION

1. This is a case about freelance and other authors, the works they authored, the copyrights they own for those works under federal law and the wholesale, massive infringement of those rights by defendants.

2. Plaintiffs are published freelance and other authors, and trade association that include thousands of freelance authors. The plaintiff freelancers licensed their works for publication to various print publication but did not grant to those publications or to defendants the right to reproduce, display, sell, and/or distribute their work in electronic form.

3. Defendants are commercial entities that maintain electronic databases that contain millions of individual works including those authored by plaintiffs. Defendants obtained plaintiffs' works from the print publishers that first published their works. Defendants have and

continue to reproduce, display, sell, and/or distribute plaintiffs' works without plaintiffs' authorization. The databases have generated tremendous revenues for defendants because the works that comprise the databases are offered for sale and/or licensed to the public.

4. By reproducing, displaying, selling, and/or distributing plaintiffs' works without authorization, defendants have infringed, and continue to infringe, plaintiffs' copyrights. Their infringement is willful and continuing.

5. Defendants knew that the copyright laws of the United States required them to obtain authorization from the holders of the copyrights in these literary works before reproducing, displaying, selling and/or distributing copies, or permitting other to do so. Despite this knowledge, for years, defendants systematically reproduced, displayed, sold and/or distributed these copyrighted works without authorization from the copyright holders, and permitted other to do so and thereby infringed the copyrights directly, vicariously and/or contributorily. Defendants collected substantial revenues and realized substantial profits as a result.

6. Plaintiffs other than the American Society of Journalists and Authors. The Authors Guild, Inc. and the National Writers Union (collectively the "Associational Plaintiffs"), own and have registered or applied to register copyrights in the works that defendants have reproduced, displayed, sold and/or distributed without proper authorization.

7. By this action, plaintiffs, on behalf of themselves and all others similarly situated, seek damages and injunctive relief for defendants pas and present infringement.

JURISDICTION AND VENUE

8. This action arises under the Copyright Act of 1976, 17 U.S.C. secs. 101 et seq. Plaintiffs hold their copyrights and possess valid datas for infringement under that statute. This Court has jurisdiction over those claims pursuant to 28 U.S.C. sec. 1331 (federal question), 28 U.S.C. See, 1338 (acts of Congress related to copyright), and 28 U.S.C. sec. 1367 (supplemental jurisdiction).

9. Venue is proper in this district pursuant to 28 U.S.C. §§ 1391 (b) and 1400(a) because defendants are subject to personal jurisdiction in and reside in this district pursuant to 28 U.S.C § 1391(c) and/or because defendants have distributed infringing copies of plaintiffs' works in this district.

PARTIES

THE NAMED PLAINTIFFS

10. The individual plaintiffs ("Named Plaintiffs") are published, professional authors who created literary works, or trusts or corporations that hold rights in literary works, for which the copyrights have been registered under United States law or protected by copyright in a nation of origin that is party to a copyright treaty to which the United States is a signatory.

11. Plaintiff Michael Castleman, Inc. (hereinafter "Castleman Inc.") is a California Corporation with its principal place of business located in San Francisco, California. Castleman Inc. has been assigned the copyright in "The 02 Percent Solution" authored by Michael Castleman. Mr. Castleman is a member of the National Writers Union.

12. Plaintiff E.L. Doetorow, who resides in New York City, is a professional author and a member of The Authors Guild.

13. Plaintiff Tom Dunkel, who resides in Washington D.C., is a professional journalist and writer and a member of the American Society of Journalists and Authors.

14. Plaintiff Andrea Dworkin, who resides in Brooklyn, New York, is a teacher, scholar, published writer, and a member of The Authors Guild.

15. Plaintiff Jay Feldman is a resident of Davis, California Mr. Feldman is a freelance writer.

16. Plaintiff James Gleick, who resides in Garrison, New York, is a professional author who writes and publishes widely on scientific and other subjects. Plaintiff Gleick is a member and Vice President of The Authors Guild.

17. Plaintiff Ronald Hayman is a citizen of the United Kingdom who resides in London. Plaintiff Hayman is a professional writer and is a member of The Authors Guild.

18. Plaintiff Robert Lacey, a citizen of the United Kingdom who resides in London, is a professional writer and member of The Authors Guild.

19. Plaintiff Ruth Laney is a resident of Baton Rouge, Louisiana. Plaintiff Laney is a freelance author and a member of the American Society of Journalists and Authors.

20. Plaintiff Paula McDonald is a citizen of the United States who resides in Rosarito, Mexico. Ms. McDonald is a freelance author and a member of the National Writers Union.

21. Plaintiff P/K Associates, Inc. is a Wisconsin, Corporation (hereinafter "P/K"). P/K is the owner of the copyright in numerous articles written by Franklynn Peterson in the general subject matter of computers.

22. Plaintiff Letty Cottin Pogrebin, who resides in New York City, is a professional and freelance writer. Plaintiff Pogrebin is a member and President of The Authors Guild.

23. Plaintiff Gerald Posner is a resident of New York, New York. Mr. Posner is a freelance author and an advisory board member of the National Writers Union.

24. Plaintiff Miriam Raftery is a California resident. Ms Raftery is a freelance author and a member of the National Writers Union.

25. Plaintiff Ronald M. Schwartz is a resident of Wakefield, Rhode Island. Plaintiff Schwartz is a freelance author.

26. Plaintiff Mary Sherman is a resident of Boston, Massachusetts. Ms. Sherman is a freelance author and a member of the National Writers Union.

27. Plaintiff Donald Spoto, who resides in Los Angeles, California, is professional writer of biographies and a member of The Authors Guild.

28. Plaintiff the Robert E Treuhaft and Jessica L. Treuhaft Trust, Robert Treuhaft trustee, dated December 3, 1985 (hereinafter the "Mitford Trust") is a California trust located in Oakland, California. Jessica L. Treuhaft is legal name of author Jessica Mitford.

29. Plaintiff Robin Vaughan is a resident of Boston, Massachusetts. Ms. Vaughan is a freelance author.

30. Plaintiff Robley Wilson, who resides in Winter Park, Florida is a professional writer of poetry and fiction and is a member of The Authors Guild.

31. Plaintiff Marie Winn, who resides in New York City, is the author of articles that have been published in newspapers and magazines, plaintiff Winn is a member of The Authors Guild.

32. Attached hereto as Exhibit A is a list of the Named Plaintiffs, their works protected by copyright, applicable registration numbers, and

the database plaintiffs are presently informed and believe contain each work.

33. Each of the Named Plaintiffs is the exclusive owner of the copyrights listed for that plaintiff. None of the Named Plaintiffs has authorized defendants or any of them to store his or her literary works in defendants' electronic database, or to reproduce, display, sell and/or distribute such works in and through defendants' database.

ASSOCIATIONAL PLAINTIFFS

34. Plaintiff National Writers Union ("NWU") is a labor organization, organized in the State of New York, whose 7,200 members nationwide are freelance writers. The NWU is an organization that has been committed to improving the economic working conditions of its freelance members, assisting them in grievance disputes with publishers regarding their compensation, contract negotiations between freelance writers and publishers as well as advocating for its members' enforcement of their copyrights. The NWU has established a Publications Right Clearinghouse ("PRC"), devoted to facilitating payment of its members for the use of their copyrighted works. The PRC is a transaction based author controlled licensing system for freelance writers. The PRC has negotiated on behalf of authors industry-wide licenses and owns the rights to convey licenses to numerous works owned by the thousands of members from the PRC associate membership organizations.

35. Plaintiff The Authors Guild, Inc. ("the Guild") is a not-for-profit corporation organized under New York law and having its place of business at 31 East 28th Street, New York, New York. The Guild has three categories of membership; "Regular Members" are book authors published by an established American publisher who have had a book in print within the last seven years, and freelance writers who have published three works of fiction or non-fiction in a periodical of general circulation within the last eighteen months; "Associate Members" are authors who have a book publishing contract with an established American publisher for a work not yet published; and "members-at-Large" are literary agents, heirs, trustees or executors of the estates of deceased members, attorneys and accountants representing authors, and book authors whose books have been out-of-print for more than seven years. The Guild has in excess of 8,000 members. The activities of the Guild include reviewing members' publishing and agency contracts, intervening in disputes involving authors' right, providing advice to members of developments in the law and publishing that affect their rights, and advocating legislation in matters affecting copyright freedom of expression taxation and other issues affecting professional authors.

36. The American Society of Journalists and Authors ("ASJA"), founded in 1948, is an organization of independent notification writers with a membership of more than 1,000 freelance writers of magazine articles, trade books, and other forms of notification writing. The ASJA was

founded to advance professional development by providing members with regular confidential market information, a network of editors and field professionals, an exclusive referral services, seminars and workshops and the opportunity to explore professional issues and concerns with colleagues. Since its institution the ASJA has focused on protecting freelancers' interests by serving as a spokesman for the right to control and profit from all uses of their work.

37. In 1995, the Guild, the ASJA and other writers groups formed the Authors Registry, Inc. ("the Registry") to help authors collect royalties for the distribution of their work through photocopying, electronic transmission and other means. The Authors Registry was designed to allow publisher, particularly newspaper and magazine publishers, to share their income for secondary use licenses equitably with their freelance contributors. Author-founders of the Registry were Robert A. Caro, E. I. Doctorow, Betty Friedan, James Gleick, George J. W. Goodman ("Adam Smith"), Gael Greene, Garrison Keillor, James A. Michener, Letty Cottin Pogrebin, Ann Quindlen, and Scott Turow. At present, the Registry's database contains more than 30,000 professional authors. To date, the Registry has distributed over $1,500,000 to authors in royalty payments for secondary uses of their work.

38. The rights of freelance and other authors that the Associational Plaintiffs seek to vindicate in this action are rights that their members possess individually. The Associational Plaintiffs seek injunctive relief for their members and

others to enjoin the unauthorized reproduction, display, sale, and/or distribution of copyrighted works.

DEFENDANTS

39. Defendant Thomson Corporation is a Canadian corporation with its principal place of business in Eagan, Minnesota. Defendant Thomson Business Information is a business unit of Thomson Corporation, and the two collectively are referred to as the "Thomson Defendants." Thomson Corporation is the ultimate parent corporation of Gale Group, Inc., West Group, Dialog and Thomson Business Information.

40. Defendant The Dialog Corporation ("Dialog") is a corporation that has its principal place of business in Cary, North Carolina. In May 2000, Dialog was acquired by defendant Thomson. Dialog's electronic databases store over nine terabytes of information (the equivalent of six billion pages), which are made accessible via the internet to corporate subscribers.

41. Defendant Gale Group, Inc. is a Delaware corporation. The prior name of Gale Group, Inc. was information Access Company. Gale Group, Inc. provides, for a fee, online access to electronic copies of approximately 6,000 titles of full text newspapers and full text periodicals with 20 years of coverage from 1980 to the present. The Gale Group, Inc. electronic database has approximately 15,000,000 articles from healthcare periodicals, newspaper and newswire services, general interest

magazines, business and technology publications and academic journals.

42. Defendant West Publishing Company, Inc. d/b/a West Group, a division, is a Minnesota corporation. West Publishing Company ("West Group") is an online subscription fee publisher of articles from legal, newspaper, scientific and business information journals West Group reproduces, displays, sells and/or distributes full text articles online.

43. Defendant Dow Jones & Company, Inc. ("Dow Jones") is a Delaware Corporation with a principal office at 200 Liberty Street, New York, New York, 10281. Dow Jones publishes The Wall Street Journal and Barron's and operates The Wall Street Interactive Edition ("WSJ.com.") As of December 31, 1999, WSJ.com had over 375,000 subscribers, making it the largest paid subscription site on the internet.

44. Defendant Dow Jones Reuters Business Interactive, LLC. d/b/a/ Factiva ("Dow Jones Reuters") is a limited liability company organized under the laws of the State of Delaware and having its principal place of business in New York, New York. Dow Jones Reuters is a joint venture of Dow Jones and Reuters, a global news agency. Subscribers to services offered by Dow Jones Reuters have access to current and past articles from 6000 newspapers, magazines and business-news sources. Dow Jones Reuters for a fee, sells full text articles on a wide variety of business and general topics.

45. Defendant EBSCO industries, Inc. ("EBSCO") is a corporation with its principal office in Birmingham, Alabama and is in the business of creating and aggregating databases.

46. Defendant Knight-Ridder, Inc. ("Knight-Ridder") is a Florida corporation with its principal address at 50 West San Fernando Street, San Jose, California 95113. Knight-Ridder is the third largest newspaper publisher in the United States and operates a network of online news internet sites through its separate internet subsidiary Knight Ridder Digital. Knight Ridder Digital is headquartered in San Jose, California and is a leader and is a leader in local information services on the World Wide Web and the founder of the Real Cities network. Knight Ridder Digital develops and manages the internet properties of Knight-Ridder.

47. Defendant Mediastream, Inc. is Pennsylvania Corporation, Mediastream, Inc., for a fee, offers online full text of freelance newspaper articles published in a variety of newspapers.

48. Defendant NewsBank is a privately held company whose corporate headquarters are in Naples, Florida and whose operations are located in Chester, Vermont. NewsBank owns and controls a database of newspaper articles called News Library and also operates a database of news articles it calls the "NewsBank Public Library Collection."

49. Defendant Northern Light Technology Corporation ("Northern Light") is a Delaware Corporation with its principal place of business in Cambridge, Massachusetts. Northern Light through its Special Collection provides, for a fee, online access to articles from more than 6,200 full-text publications in a wide variety of subject areas including news, general interest, medical, financial and academic.

50. Defendant ProQuest Company ("ProQuest") is a Delaware corporation. Its principal place of business is in Ann Arbor, Michigan. ProQuest, formerly Bell & Howell Company, operated Bell & Howell Information and Learning Company (formerly University Microfilms International). On June 6, 2001, Bell & Howell Information and Learning Company changed its name to ProQuest Information and Learning Company. Though its on line information system and via CD-ROM and magnetic tape. ProQuest provides access to its databases that include articles from more than 20,000 periodicals and 7,000 newspapers. ProQuest aggregates the works of publishers and authors, creates proprietary abstracts and assembles thematic collections to facilitate access for its customers.

51. Defendant Reed Elsevier Inc. ("Reed Elsevier") is a Massachusetts corporation, with its principal place of business in Newton, Massachusetts, that does business in New York Reed Elsevier provides information throughout the United States through print, CD-ROM and online services. Reed Elsevier companies INCLUDE Elsevier Science, a lending publisher of

scientific information, and LEXIS-NEXIS, a division of Reed Elsevier, and a leading provides of information to legal, corporate and government markets. LEXIS-NEXIS is an online subscription fee publisher of articles from more than one thousand two hundred scientific, legal and business information journals. LEXIS-NEXIS displays, reproduces, sells, and/or distributes full text articles online.

52. Defendant Union-Tribune Publishing Company is a California corporation. It displays, distributes, and reproduces in a database online the full text of freelance newspaper articles.

53. Each of the defendants, except for the Thomson Defendants, operates at least one electronic database or makes electronic database products. Each of such defendants includes in one or more of its electronic databases written works previously published in newspaper, magazines, and/or books, including works contributed to such publications by freelance and other authors. Each of such defendants has reproduced, displayed, sold, and/or distributed works, and/or authorized others to do so, that were written by freelance and other authors, without obtaining the license or permission to do so and without compensating such authors for such reproduction, display, sale, distribution and/or authorizing others to do so. Each of such defendants has infringed works of one or more of the Named Plaintiffs by copying, displaying, storing, distributing and/or reproducing in a database maintained by such defendant, a work or works as to which such Name Plaintiff has

registered his or her copyright (or, in the case of plaintiffs Hayman and Lacey, a work or works whose nation of origin is a party to a copyright treaty to which the United States is also a party). Each of such defendants has profited and continues to profit from this unauthorized display, storage, reproduction and distribution.

54. The Thomson Defendants are liable to plaintiffs and the Class for vicarious and contributory infringement of copyrighted works, as set forth more fully hereafter.

CLASS ALLEGATIONS

55. The Class is initially defined as all person who own a copyright in a literary work created and first published on or after January 1, 1978 and electronically reproduced, displayed, sold, and/or distributed by one or more of defendants or any party authorized to do so by one or more of defendants without the owners permission on or after August 15, 1997. Excluded from the Class are (a) defendants and any entity in which any defendant has a controlling interest; (b) the employees, officers and directors of those identified in subparagraph (a); and (c) the heirs, successors, assigns and legal representatives of the persons identified in subparagraph (b) above

56. This action has been brought and may properly be maintained as a Class Action pursuant to Rule 23 of the Federal Rules of Civil Procedure.

57. Numerosity of the Class – Fed. R. Civ. Proc. 23(a)(1): The person and/or entities in the Class

are so numerous that the joinder of all such person is impractical and the disposition of their claims in a class action rather than in individual actions will benefit the parties and the Court. The exact number of members of the Class is not known to plaintiffs, but plaintiffs estimate that the Class exceeds 10,000 person.

58. Existence and Predominance of Common Question of Law and Fact – Fed. R. Civ. Proc. 23(a)(2) & 23(b)(3): There is a well-defined community of interest in the questions of law and fact involved affecting the plaintiff Class. Questions of law and fact common to the Class include, but are not limited to, the following:

a. Whether defendants, in the unauthorized reproduction, display, sale, and/or distribution of literary works, infringed the copyrights of those works;

b. Whether defendants acted willfully with respect to the acts complained of herein;

c. The profits defendants reaped as the result of their unlawful activities;

d. Whether the Named Plaintiffs and the Class have sustained damages and, if so, the proper measure of such damages; and

e. Whether injunctive relief is appropriate.

These questions of law and fact predominate over questions that affect only individual Class members.

59. Typicality – Fed. R. Civ. Proc. 23(a)(3): The claims of the Named Plaintiffs are typical of those of the Class. The Named Plaintiffs own copyrights in literary works that defendants have reproduced and carried in their databases. The claims of the Named Plaintiffs and all members of the Class depend on showing the acts or omissions of defendants complained of herein.

60. Adequacy of Representation Fed. R. Civ. Proc. 23(a)(4): Plaintiffs are adequate representatives of the Class and will fairly, and adequately protect the interests of the Class. Plaintiffs' interests do not in any way conflict with the interests of the members of the Class that they seek to represent. Plaintiffs are committed to the vigorous prosecution of this action and have retained competent counsel experienced in complex class action litigation and experienced in copyright actions to represent them.

61. Injunctive Relief – Fed. R. Civ. Proc. 23(b)(2): Defendants have acted or refused to act on grounds generally applicable to the Class by failing to obtain prior authorization from Class members to incorporate their works into defendants databases and/or to thereafter distribute, display, sell, and/or reproduce Class members' copyrighted works and by willfully infringing at least one work of each Class member, thereby making appropriate final injunctive relief with respect to the Class as a whole.

62. Superiority – Fed. R. Civ. Proc. 23(b)(3): A class action is the best available method for the

fair and efficient adjudication of this controversy. The United States Supreme Court decided in *New York Times Co., Inc. v. Tasini*, ___ U.S. ___. 121 S. Ct. 2381 (2001), that the defendant print publishers, electronic databases and information aggregators there had no right or privilege under the Copyright Act to reproduce, display, sell, and/or distribute without authorization copyrighted freelance works through electronic databases as alleged herein A class action provides the most effective and meaningful vehicle to effectuate the Supreme. Court's decision and enforce the liabilities (hat Court established. Since the damages suffered by individual Glass members, while not inconsequential, may be relatively small, the expense and burden of individual litigation make it impractical for members of the Class to seek redress individually for the wrongful conduct alleged herein. Should separate actions be required to be brought by each individual member of the Class, the resulting multiplicity of lawsuits would cause undue hardship and expense on the Court and the litigants. A class action is therefore the best method to assure that thc wrongful conduct alleged herein is remedied, and that there is a fair, efficient, and full adjudication of this controversy. Plaintiffs anticipate so difficulty in the management of this litigation as a class action.

GENERAL ALLEGATIONS

63. Defendants complied databases containing many thousands of article listings and/or unauthorized copies of copyrighted works, which

can be accessed by consumers online or by other means and searched by subject matter, author name, keyword, and article or periodical title. After accessing and/or viewing these works on defendants databases consumers can purchase unauthorized full text copies of individual articles.

64. Defendants continue to electronically reproduce, display, sell, and/or distribute for profit copyrighted works that defendants knew or reasonably should have known were protected by copyright, without the Named Plaintiffs' or Class members' authorization.

65. Defendants' acts have caused, and unless restrained, will continue to cause substantial damages and irreparable injury to the Named Plaintiffs and the Class through:

a. continued infringement of their works and/or the effectuation of new and further infringements;

b. depreciation in the value and ability to license and sell their copyrighted works;

c. lost profits and/or opportunities; and

d. damage to their goodwill and reputation.

66. Defendants acted willfully or knew or should have known that their actions constituted infringement.

67. The Named Plaintiffs and the Class have suffered damages from the unlawful practices of defendants.

COUNT ONE

Copyright Infringement (Named Plaintiffs and the Class Against All Defendants)

68. Plaintiffs reallege and incorporate by reference as if fully set forth herein the allegations contained in all preceding paragraphs.

69. The Name Plaintiffs and the Class members each own a valid copyright in and to at least one literary work that has been reproduced, displayed, sold, and/or distributed by one or more defendants and/or that one or more defendants authorized others to reproduce, display, sell and/or distribute without authorization from The Named Plaintiffs or Class members.

70. As a result of defendants acts of copyright infringement and the foregoing allegations, the Name Plaintiffs and the Class have suffered damages as more fully set forth in the Wherefore clause of this Complaint.

COUNT TWO

Vicarious Copyright Infringement (Named Plaintiffs and the Class Against Defendants Thomson, Gale Group, Northern Light and ProQuest)

71. Plaintiffs reallege and incorporate by reference as if fully set forth herein the allegations contained in all preceding paragraphs.

72. At all material times, the defendants identified below has the ability to control the conduct of their business units and/or subsidiaries, knew that those business units and/or subsidiaries were offering online electronic databases of copyrighted works that infringed authors' rights, and encouraged or induced customers to infringe authors' rights.

73. These defendants derived substantial financial benefit from the infringing conduct of these business units and/or subsidiaries, committed vicarious infringement, and did so knowingly and/or willfully.

74. The vicariously liable defendants are:

Vicariously Liable Defendants	Controlled Entities Business Unites
Gale Group	Gale Group
Thomson Business	Gale Group, West
Thomson	Group, Dialog
Northern Light	Special Collection
ProQuest (formerly Bell & Howell Company)	ProQuest Information and Learning Company (formerly Bell & Howell Information and Learning Company)

75. As a result of defendants' acts of vicarious copyright infringement, the Named Plaintiffs and

the Class have suffered damages as more fully set forth in the Wherefore clause of this Complaint.

COUNT THREE

Contributory Copyright Infringement (Named Plaintiffs and the Class Against All Defendants)

76. Plaintiffs reallege and incorporate by reference as if fully set forth herein the allegations contained in all preceding paragraphs.

77. Defendants, with the knowledge that their online business units that offered (or, in the case of EBSCO, contributed to the development of) electronic databases of copyrighted works were infringing on authors rights, encouraged, facilitated, induced and/or participated in the infringement by supporting those activities both on their websites and otherwise and affirmatively encouraging the continuation of the infringing business activities and supporting those business units in that conduct. Defendants derived a substantial financial benefit from the infringing conduct of their online business units. Defendants' contributory infringement was willful and/or knowing.

78. Defendants encouraged, facilitated and/or induced customers accessing their databases to purchase unauthorized electronic reproductions of copyrighted works and/or to display and reproduce those copyrighted works without authorization from Named Plaintiffs or Class members Defendants knew that neither they not their customers were authorized to reproduce,

display, sell, and/or distribute the copyrighted works. Defendants derived a substantial financial benefit from the infringing conduct of their customers.

79. As a result of defendants' contributory infringement, the Named Plaintiffs and the Class have suffered damages as more fully set forth in the Wherefore clause of this Complaint.

COUNT FOUR

Injunctive Relief
(All Plaintiffs Against All Defendants)

80. Plaintiffs reallege and incorporate by reference as if fully set forth herein the allegations contained in all preceding paragraphs.

81. By, among other things and without limitation, reproducing, distributing, storing, displaying, excerpting, publishing, uploading, downloading, and/or transmitting by electronic and other means the works of the Named Plaintiffs and the Class, all without their consent and without payment to them for such uses, defendants continuously for a number of years have infringed the copyrights of the Named Plaintiffs and the Class as herein above alleged. Defendants also have infringed the copyrights of the Named Plaintiffs and the Class by purporting to licenses their copyrighted works on electronic database and other electronic media without their authorization or consent. Further, defendants continue at present and will continue in the future to so infringe such copyrights unless restrained by the Court.

82. Plaintiffs are entitled to an injunction barring defendants from continued infringement of the copyrights of the Named Plaintiffs and the Class, and other equitable relief as more fully set forth in the Wherefore clause of this Complaint.

PRAYER FOR RELIEF

WHEREFORE, plaintiffs pray for relief and that judgment be entered against defendants as follows:

A. For certification of the Class;

B. For an award of plaintiffs' actual damages, defendants' profits and/or statutory damages;

C. For an injunction (a) barring defendants from continued infringement of the copyrights of the Named Plaintiffs and the Class, and/or (b) other equitable relief to redress any continuing violations of the Act;

D. For costs and attorneys' fees; and

E. For such other and further relief as the Court finds just and proper.

Demand for Jury Trial Omitted

Signature Omitted

By: _____

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PLAINTIFFS' EXECUTIVE COMMITTEE

EXHIBIT A TO THE CONSOLIDATED AMENDED COMPLAINT, OMITTED HERE BUT AVAILABLE IN THE RECORD, IS A 66-PAGE CHART SPECIFYING—FOR THE 21 INDIVIDUAL PLAINTIFFS—THE TITLES OF EACH PLAINTIFF'S ALLEGEDLY INFRINGED ARTICLES, AND COPYRIGHT REGISTRATION INFORMATION FOR THE U.S. WORKS (REGISTRATION NUMBERS ARE INDICATED AS "NOT APPLICABLE" FOR THE NON-U.S. WORKS).

**SETTLEMENT AGREEMENT,
DATED MAR. 31, 2005**

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

Caption Omitted

SETTLEMENT AGREEMENT

WHEREAS, plaintiffs in the above captioned matter, individually and on behalf of the class defined below (the "Class"), have alleged that defendants The Dialog Corporation, Dow Jones & Company, Inc., Dow Jones Reuters Business Interactive, LLC, d/b/a Factiva, EBSCO Industries, Inc., The Gale Group Inc., Knight-Ridder, Inc., Knight Ridder Digital, Mediastream, Inc., Newsbank, inc., The New York Times Company, ProQuest Company, ProQuest Information and Learning Company, Reed Elsevier Inc., The Thomson Corporation, The Copley Press, Inc., and West Publishing Corporation d/b/a West Group have violated the copyright laws of the United States by reproducing, displaying, selling or distributing on electronic databases works owned by authors without the authors' permission; and

WHEREAS, defendants have denied all liability to plaintiffs and the Class and have not admitted any of the allegations of the complaints filed or lodged by plaintiffs, including without limitation the Consolidated Amended Class Action

Complaint filed on September 26, 2001, and the complaint filed in The Authors Guild, et al. v. The New York Times Co., No. 01 CV 6032 (S.D.N.Y.); and

WHEREAS, Class Counsel (defined below) have conducted a thorough investigation into the facts and issues raised in the Action (defined below); and

WHEREAS; Class Counsel, while continuing to believe that the claims asserted in the Action have substantial merit, have also weighed the benefits to be obtained under a possible settlement of the Action against the possible outcomes, risks, and delay of continued litigation, including the likelihood of appeals from rulings on the merits in favor of any party; and

WHEREAS, the Representative Plaintiffs (defined below) and the Defense Group (defined below), in consideration of all of the circumstances and after prolonged and adversarial arms' length settlement negotiations between counsel and with the assistance of mediators Kenneth R. Feinberg and Peter Woodin of The Feinberg Group, wish to settle and finally resolve all actual and potential claims arising out of or relating to the matters that have been or may be asserted in the Action; and

WHEREAS, in addition to the consideration paid by defendants, the publishers ("Participating Publishers") listed in Exhibit A hereto have agreed to contribute to the settlement funds that this settlement has achieved on behalf of plaintiffs and

the Class, to provide class notice in their publications and, if available, to provide information to identify potential class members and for class members to make claims under this settlement. Defendants and the Participating Publishers shall be referred to herein collectively as the "Defense Group"; and

WHEREAS, additional publishers ("Preliminary Supplemental Participating Publishers") may contribute to the settlement funds that this settlement has achieved on behalf of plaintiffs and the Class; and

WHEREAS, the Representative Plaintiffs and Class Counsel have concluded that a settlement with the Defense Group on the terms set forth in this agreement ("Settlement Agreement") is fair, reasonable, adequate and in the best interests of plaintiffs and the Class in light of, among other things, the risks inherent in prosecuting the Action and the benefits obtained under the Settlement Agreement; and

WHEREAS, the Defense Group, each member of which expressly denies all of the allegations made by plaintiffs or any liability whatsoever, have agreed to enter into this Settlement Agreement to conclude finally and definitively all claims brought in the Action and to reduce further expense, inconvenience, and the distraction of burdensome and protracted litigation; and

WHEREAS, (a) the parties agree that the claims of plaintiffs against defendants should be

certified as a class action for purposes of the settlement of such claims, and (b) the parties therefore stipulate to a class for settlement purposes only as defined below;

NOW, THEREFORE, in consideration of the covenants and agreements set forth in this Settlement Agreement, it is agreed by and among the undersigned that the claims of plaintiffs and the Class shall be settled and compromised with the Defense Group, subject to approval of the Court as required by Rule 23(e) of the Federal Rules of Civil Procedure, on the following terms and conditions:

1. Definitions. As used in this Settlement Agreement, the below terms are defined as follows:

a. "Action" means the following actions: *In re Literary Works in Electronic Databases Copyright Litigation*, MDL No. 1379 (S.D.N.Y.); *The Authors Guild, Inc., et al., v. The Dialog Corp., et al.*, Dkt. No. 00 CV 6049. (S.D.N.Y.); *Posner, et al., v. The Gale Group Inc., et al.*, Dkt. No. 00-CV-7376 (S.D.N.Y.); *Laney, et al. v. Dow Jones & Co. Inc., et al.*, Dkt. No. 00-CV-7.69 RRM (D. Del); and *The Authors Guild, Inc., et al. v. The New York Times Company*, Dkt. No. 01 CV 6032 (S.D.N.Y.).

b. "Administration Costs" means the cost of (1) preparing and providing notice to the Class pursuant to the Class Notice Program (paragraph 8 below) or as otherwise ordered by the Court; (2) setting up and implementing the Claims Administration Program (paragraph 6

below); (3) plaintiffs' portion of the mediator's fees incurred in February and March 2002, and the mediator's success fee; (4) any escrow fees paid to the Depository Bank and payments to an independent third party for services and expenses in connection with administration of the Settlement Funds, including the preparation and mailing of tax forms and tax returns; and (5) all other costs necessary for the administration of the settlement.

c. "Associational Plaintiffs" means The Authors Guild, the National Writers Union, and the American Society of Journalists and Authors.

d. "Claimant" means a class member who submits a claim for an award from the settlement proceeds with respect to a Subject Work (defined in paragraph 1.f below).

e. "Claims Administrator" means The Garden City Group, Inc., who has been retained by Plaintiffs' Lead Counsel to administer the settlement, including but not limited to the provision of notice to the Class members, processing and assisting with class members' claims, and other administration of the Plan of Allocation (see paragraph 4 below).

f. "Class" is defined as follows for settlement purposes only: All persons who, individually or jointly, own a copyright under the United States copyright laws in an English language literary work that has been reproduced, displayed, adapted, licensed, sold and/or distributed in any electronic or digital format,

without the person's express authorization by a member of the Defense Group or any member's subsidiaries, affiliates, or licensees (a) at any time on or after August 15, 1997 (regardless of when the work first appeared in an electronic database) or (b) that remained in circulation after August 15, 1997, even if licensed prior thereto, including English language works qualifying for U.S. copyright protection under an international treaty (hereinafter "Subject Work"). Notwithstanding anything in the immediately preceding sentence to the contrary, a copyrighted work created prior to January 1, 1978, is a Subject Work only if it (a) has been electronically or digitally reproduced, displayed, adapted, licensed, sold and/or distributed by a Participating Publisher without the person's express authorization, and (b) is from a publication whose pre-1978 works have not been excluded from this settlement, as indicated on Exhibit A. Included in the Class are all copyright owners of Subject Works who, after June 25, 2001, responded to The New York Times Company's Restoration Request website or print advertisements.

g. "Class Counsel" means all attorneys and law firms appearing for plaintiffs in the Action.

h. "Database Defendants" means The Dialog Corporation, Dow Jones & Co., Inc., Dow Jones Reuters Business Interactive, LLC, d/b/a Factiva, EBSCO Industries, Inc., The Gale Group, Inc., Mediastream, Inc., Knight-Ridder, Inc., Knight Ridder Digital, Newsbank, inc., ProQuest Information and Learning Company, Reed Elsevier

Inc., The Thomson Corporation, and West Publishing Corporation d/b/a West Group, and all their parents, predecessors, subsidiaries, affiliates, and divisions.

i. "Depository Bank" means Morgan Stanley Dean Witter, Conshohocken, Pennsylvania, designated by Plaintiffs' Lead Counsel to serve as custodial trustee and to administer the settlement funds pursuant to an escrow agreement with the Depository Bank.

j. "Effective Date" is the date upon which each and all of the following events shall have occurred: (i) the Court shall have certified the Class and approved this Settlement Agreement in all respects, pursuant to Fed. R. Civ. P. 23; (ii) entry shall have been made of the final judgment of dismissal with prejudice as to the defendants against plaintiffs and/or all members of the Class who have not timely excluded themselves from the Class; and (iii) the time for any appeal from the final judgment of dismissal and the Court's approval of this Settlement Agreement shall have expired, or, if appealed, the final judgment has been affirmed in its entirety by the court of last resort to which any such appeal has been taken and such affirmance has become no longer subject to further appeal or review. Neither Rule 60 of the Federal Rules of Civil Procedure nor the All Writs Act, 28 U.S.C. 1651, shall be taken into consideration in calculating the above-stated time periods.

k. "Participating Publishers" means the publishers identified in Exhibit A hereto and any

publishers that, within three business days of the date on which plaintiffs file their motion for preliminary settlement approval (pursuant to paragraph 7 below), agree – as have the publishers listed in Exhibit A — to contribute to the settlement funds that this settlement has achieved on behalf of plaintiffs and otherwise to participate in the settlement.

l. "Plaintiffs' Lead Counsel" means the firms of (a) Kohn, Swift & Graf, P.C., (b) Hosie, Frost, Large & McArthur, and (c) Girard Gibbs & De Bartolomeo LLP.

m. "Preliminary Supplemental Participating Publishers" are the publishers that supply literary works to any of the defendants, other than publishers who are already identified as Participating Publishers. "Supplemental Participating Publishers" are all those Preliminary Supplemental Participating Publishers that are not de-listed pursuant to paragraph 3.d below.

n. "Released Claims" means: each and every claim of every Class member, whether arising under federal, state, or foreign law, that has been or could have been asserted in the Action against any member of the Defense Group, any Supplemental Participating Publisher, and all their past; present, and future parents, predecessors, subsidiaries, affiliates, and divisions, and all of their respective officers, directors, owners, partners, governors, employees, agents, nominees, successors, assigns, legal representatives and licensees (as if all Participating Publishers and Supplemental

Participating Publishers had been named as defendants), with respect to any and all of the Subject Works, including but not limited to all claims arising out of the same facts as their claims of copyright infringement, past, present, or future, known or unknown, and all claims with respect to the electronic or microform reproduction, distribution, display, license, sale or adaptation of Subject Works to or by the Defense Group or Supplemental Participating Publishers; except, however, that (i) only claims for past infringement are hereby released with respect to works that class members elect to have removed or not restored under paragraph 5 below, (ii) only claims concerning Subject Works are being released, (iii) this settlement provides that Subject Works that class members do not elect to have removed or not restored under paragraph 5 below may be displayed electronically only in accordance with paragraph 13.b below, (iv) no claims shall be released against any Participating Publisher for pre-1978 works the publisher has excluded from this settlement (see Exhibit A); (v) no claims shall be released with respect to works that have not, on or prior to the date of this Agreement, been reproduced, distributed, displayed or transmitted by any Defense Group member, (vi) no claims shall be released based on retaliation for participating in, objecting to or opting out of the settlement, or for exercising rights under paragraph 5.a below, (vii) none of the claims of class members who timely exclude themselves from the Class shall be released or in any other way adversely affected by the Settlement, and (viii) claims that are compensable in a class action pending in Canada on behalf of

freelance authors, among other contributors, entitled *Robertson vs. The Thomson Corporation, Thomson Canada Limited, Thomson Affiliates, Information Access Company and Bell Globemedia Publishing Inc.*, (Ontario (Canada) Superior Court of Justice 96-CU-110595CP) are not being released.

o. "Released Parties" means the individuals and entities as specified herein in 1.n, subject to paragraphs 3.d, 13.b and 13.d, against whom claims are released.

p. "Representative Plaintiffs" means the following individual plaintiffs, who, subject to Court approval, are representing the Class in the settlement of the Action: Michael Castleman, E.L. Doctorow, Tom Dunkel, Andrea Dworkin, Jay Feldman, James Gleick, Ronald Hayman, Robert Lacey, Ruth Laney, Paula McDonald, P/K Associates, Inc., Letty Cottin Pogrebin, Gerald Posner, Miriam Raftery, Ronald M. Schwartz, Mary Sherman, Donald Spoto, Robert E. Treuhaft and Jessica L. Treuhaft Trust, Constance Romilly, trustee, Robin Vaughan, Robley Wilson, Marie Winn.

q. "Settlement Payment" means a cash distribution to a Claimant from the Settlement Funds (defined below).

2. Best Efforts. All plaintiffs and all members of the Defense Group shall use their best efforts to effectuate this Settlement Agreement as soon as practicable, including cooperating as set forth below in seeking the Court's certification of the

Class for settlement purposes only, the preliminary and final approval of this settlement, and the Court's approval of procedures to secure the prompt, complete and final dismissal with prejudice of the Action.

3. The Settlement Funds.

a. Subject to the provisions of this Settlement Agreement, the Defense Group shall pay a minimum of $10 million to the Class, $1 million of which shall be contributed in the form of published summary notice pursuant to the provisions of paragraph 8 below. Class members with valid claims will be eligible to receive Settlement Payments based on the Plan of Allocation set forth below at paragraph 4 below and the Claims Administration Memorandum (Exhibit B). If and to the extent that the sum of (i) the Claimants' Settlement Payments, (ii) Court approved attorneys' fees and costs and service awards to the Representative Plaintiffs, (iii) the $1 million notice credit specified in this subparagraph above, (iv) payment for full publication of the Canadian Summary Notice pursuant to paragraph 8 below, and (v) the Administration Costs (not to exceed $800,000) is less than $10 million, then plaintiffs will distribute the remainder of the $10 million minimum settlement amount to the Claimants, pro rata, whose Subject Works were first published after 1977 and/or that were reproduced, distributed, displayed or transmitted by a Database Defendant.

b. No later than 10 business days after entry of the Order for Preliminary Approval of this Settlement Agreement, the Database Defendants shall deposit the amount of $5 million into an interest bearing escrow account (the "Initial Settlement Deposit") by wire transfer to the Depository Bank. The Initial Settlement Deposit shall be held in escrow and administered by the Claims Administrator, Plaintiffs' Lead Counsel, and the Depository Bank, pursuant to an escrow agreement approved by Plaintiffs' Lead Counsel and the Defense Group. Pursuant to the terms of the escrow agreement, upon the Effective Date, any and all rights of the Defense Group members, collectively and individually, to the Initial Settlement Deposit and any interest or income earned thereon shall cease to exist. Consequently, upon the Effective Date, the terms of the escrow agreement will provide that the entire balance of the Initial Settlement Deposit remains in the sole control of Plaintiffs' Lead Counsel.

c. After all valid claims have been processed, the Claims Administrator shall issue a final report by e-mail and regular mail to Plaintiffs' Lead Counsel and each member of the Defense Group. The final report shall include the amount due for valid claims against each member of the Defense Group and each of the Preliminary Supplemental Participating Publishers. All such amounts will be due within 60 days from the date the final report is e mailed, by wire or check to an account at the Depository Bank. No later than two weeks (14 days) after such amounts are due, the Depository Bank will notify Plaintiffs' Lead

Counsel and the Defense Group of all such amounts and the Defense Group shall remit to the Depository Bank the sum of all outstanding unpaid amounts within ten days thereafter. By operation of the provisions of this paragraph (3.c), the Defense Group shall be responsible for the full and final funding obligations to plaintiffs and the Class no later than 84 days after the date on which the Claims Administrator e-mails its final report to Plaintiffs' Lead Counsel and the Defense Group.

d. Ninety days after publication of the Claims Administrator's Final Report, the Database Defendants shall deliver to Class Counsel a list of all the Preliminary Supplemental Participating Publishers who were presented with claims but failed to pay the amounts due as determined by the Database Defendants in their sole discretion, so long as any such amounts are not less than the amounts provided for in paragraph 4 below. The non-cooperating publishers on that list will not be "Supplemental Participating Publishers" for purposes of the definition of "Supplemental Participating Publishers" above and the provisions of paragraph 13.d below, and such "de-listed" publishers will not be Released Parties under this agreement.

e. The Initial Settlement Deposit, together with any additional payments as provided for in paragraphs 3.c. and 12, and all interest accrued thereon, shall hereinafter be referred to as the "Settlement Funds." Except as otherwise provided in this Agreement, no disbursement or other use of any portion of the

Settlement Funds shall be made without approval of the Court.

f. Except as provided in paragraph 4.f below, the Defense Group and Supplemental Participating Publishers shall not pay more than $18 million ($1 million of which shall be the $1 million credit in paragraph 3.a above) in connection with this settlement, and plaintiffs and the Class shall look solely to the Settlement Funds for settlement and satisfaction of any Released Claims. When the Defense Group meets all of its funding obligations under paragraphs 3.a., 3.b., 3.c. and 12 of this agreement, it shall be deemed to have finally and completely discharged its entire obligation to plaintiffs and to each and every member of the Class for the payment of any sums or any other relief of any nature whatever in connection with all Released Claims, including but not limited to attorneys fees and costs.

g. The Settlement Funds are intended as, and shall be, a separate escrow fund of moneys and shall qualify as a "qualified settlement fund" within the meaning of Treasury Regulation Section 1.468B-1. Plaintiffs' Lead Counsel or their designee shall be the "administrator" of the Settlement Funds within the meaning of Treasury Regulation Section L468B-2(k)(3). Plaintiffs' Lead Counsel or their designee shall apply, or shall cause application to be made, to the Internal Revenue Service for an employer identification number on behalf of the Settlement Funds and shall further cause to be prepared on behalf of the Settlement Funds any

and all required tax returns. Plaintiffs' Lead Counsel or their designee shall file such tax returns with all appropriate tax authorities and shall cause any taxes shown due on such returns and payable by the Settlement Funds to be paid to the Internal Revenue Service or other tax authority on behalf of the Settlement Funds rom the funds on deposit in the Settlement Funds. Plaintiffs' Lead Counsel or their designee shall do or cause to be done any and all other acts as may be reasonably required to cause the Settlement Funds to qualify and remain qualified as a "qualified settlement fund" as described above.

h. Until such time after the Effective Date as the Settlement Funds are distributed to class members consistent with the terms of this Agreement and as otherwise ordered by the Court, the Settlement Funds shall be invested and reinvested by Plaintiffs' Lead Counsel in United States Treasury Bills, Notes or other obligations of he United States or its instrumentalities of no ore than six (6) months duration, except that such portions of the Settlement Funds as may reasonably be needed to pay current Administrative Costs, including expenses associated with providing notice of the settlement to the Class, payment of taxes arising with respect to income earned by the Settlement Funds (including without limitation the reasonable expenses of a tax attorney or consultant and mailing and distribution costs and expenses related to filing tax returns), may be held in the form of cash or money market instruments. All interest and gains earned oh the Settlement Funds or any portion thereof shall become and

remain a part thereof. No party shall be responsible for any losses, principal or otherwise, of the Settlement Funds.

i. Before the Court issues a final order approving this Settlement Agreement, disbursements may be made for reasonable expenses actually incurred in providing notice of the settlement to the Class, including the costs of printing, mailing, or publishing notice, or retaining the Claims Administrator to carry out all responsibilities relating to providing such notice and administration from the Initial Settlement Deposit in a total amount not to exceed $500,000 without further order of the Court, and the amounts for incurred Administrative Costs (including accrued-but-not-yet-paid expenses) shall not be refundable to the Defense Group in the event the Settlement Agreement is disapproved, voided, or otherwise fails to become final. No other payments, disbursement, or transfers of any kind from the Settlement Funds, including Class Counsel's attorneys' fees and costs of litigation, shall be made prior to the Effective Date without leave of Court for good cause shown. The Defense Group shall have no responsibility for the administration, operation, investment or distribution of the Settlement Funds. Plaintiffs shall make reasonable efforts to minimize expenditures from the Settlement Funds.

j. The Defense Group shall not have any responsibility to make any filings relating to the Settlement Funds, and the Defense Group shall have no responsibility to pay taxes, including

interest and penalties due thereon, on income earned by the Settlement Funds. In the event the settlement is not approved by the Court or is otherwise terminated, all Settlement Funds (less any Administrative Costs incurred) shall be promptly returned to the Defense Group, provided that in such event the Defense Group shall be responsible for payment of all taxes on income earned on the Settlement Funds after the date of such return.

4. Plan of Allocation. Plaintiffs will seek Court approval of a Plan of Allocation of the settlement proceeds to eligible class members. The Plan of Allocation will provide for distribution from the Settlement Funds, after the payment of (i) court approved attorneys' fees and reimbursement of costs, (ii) court approved service awards to the Representative Plaintiffs, and (iii) Administrative Costs. A Settlement Payment shall be made to every Claimant who submits a timely, valid proof of claim, subject to the limitations set forth below. The Settlement Payments shall be made pursuant to the following schedule ("Scheduled Payments"):

a. Category A Subject Works. For each Subject Work the Claimant properly registered as an individual work with the United States Copyright Office in time to be eligible for statutory damages under 17 U.S.C. § 412 (2), the Claimant will receive:

> $1,500 for the first fifteen Subject Works written for any one publisher; $1,200 for the second fifteen Subject Works written for that publisher; and

> $875 for all Subject Works written for that publisher after the first thirty Subject Works.

b. Category B Subject Works. For each Subject Work that the Claimant properly registered before December 31,2002, but not in time to be eligible for statutory damages under 17 U.S.C. § 412 (2), the Claimant will receive, per Subject Work, the greater of $150 or 12.5% of the original sale price of the Subject Work.

c. Category C Subject Works. For all other Subject Works, the Claimant will receive, per Subject Work:

> The greater of $5 or 10% of the original price of the Subject Work (except for works sold for amounts over $249, as described below); $25 for Subject Works originally sold for $250 to $999; $40 for Subject Works originally sold for $1,000 to $1,999; $50 for Subject Works originally sold for $2,000 to $2,999; $60 for Subject Works originally sold for $3,000 or more.

d. Reduced Payments. For Subject Works created before January 1, 1995, payments in Categories B and C above shall be reduced, to an amount no lower than $5 per Subject Work, based on the years in which the Subject Work was created as follows:

> Subject Works created in 1995 or later: no reduction; Subject Works

created in 1985-1994: a 5% reduction for each year beginning in 1994 and continuing through 1985, i.e., payments for Subject Works created in 1994 will be reduced to 95%; payments for Subject Works created in 1993 will be reduced to 90%, and so on until 1985; Subject Works created before 1985 will receive a 50% reduction.

e. Each Settlement Payment is further subject to paragraph 5 below.

f. In the event the total amount of Scheduled Payments as calculated under this paragraph 4, together with all fees and costs included in the Settlement Funds, exceeds $18 million, then the following will occur: (1) if the claims for the Subject Works that were first published after 1977 and/or that were reproduced, distributed, displayed or transmitted by a Database Defendant, together with all fees and costs, total $18 million or less, then all claims for all Subject Works will be paid in full pursuant to this paragraph 4; but (2) if the claims for the Subject Works that were first published after 1977 and that were reproduced, distributed, displayed or transmitted by a Database Defendant ("Post 1977 Claims"), together with all fees and costs, exceed $18 million, then (i) beginning with Category C claims, and then, only if necessary, the Category B and Category A claims will be reduced pro rata by the remaining amount that the total Post 1977 Claims exceeds $18 million as compared to the total amount of Post 1977 Claims

for that category; and (ii) the remaining claims (i.e., claims for Subject Works first published prior to 1978 and/or that were not reproduced, distributed, displayed or transmitted by a Database Defendant ("Pre 1978 Claims")) will, beginning with Category C claims, and then, only if necessary, Category B and Category A claims, each be reduced pro rata by the same percentage as the corresponding Post 1977 category claims were reduced, if at all. This provision is intended to ensure that any pro rata reduction to the Claimants of Post 1977 Subject Works will be unaffected by the claims for Pre-1978 Subject Works.

g. Any copyrighted work and each version, revision, or variant thereof prepared without material additional editing, revision, or composition by the Claimant shall be considered a single Subject Work for which the Claimant (or Claimants who claim joint ownership) has only one claim, regardless of whether the work was published in more than one newspaper or periodical; provided, however, that a revision or variant prepared by the Claimant for which the Claimant received an additional payment shall be considered an additional work, entitling the Claimant to submit an additional claim.

h. The Defense Group and Supplemental Participating Publishers will not, with respect to claims for Category A and Category B Subject Works, for purposes of this Agreement only, enforce retroactive licenses (as defined below) against any Subject Works that were registered prior to the dates these licenses were acquired.

For purposes of this Agreement, a retroactive license is a license to a Subject Work acquired without monetary consideration after the date of publication other than a license obtained as part of the agreement to acquire the Subject Work in question ("Retroactive License"). Further, the Defense Group and Supplemental Participating Publishers will not, with respect to claims for Category C Subject Works, enforce Retroactive Licenses the form of which any publisher first used on or after April 14, 2003. In addition, The New York Times Company will not, with respect to claims for Category A, Category B and Category C works, enforce any licenses, waivers, releases or any other concessions obtained from class members through their participation in The New York Times Restoration Request web site.

i. For purposes of calculating the original price paid for works that were not paid-for in U.S. dollars, the currency that was originally paid will be converted to its U.S. dollar equivalent in order to determine the amount to be paid to claimants for Category B and Category C works. The conversion calculation shall be based on the Federal Reserve Bank's exchange rate on the date the Settlement Agreement is executed, published on its website at http://www.federalreserve.gov/releases/h10/Hist/.

j. Notwithstanding anything in paragraphs 4 and 5, no Settlement Payment check to any claimant shall be for less than $5.00.

5. Continuing Use of Subject Works.

a. Any Claimant (other than Claimants of Category C Subject Works that are the subject of Retroactive Licenses) may, upon filing a claim within the 120-day claim period set forth below in paragraph 6.a. (but not thereafter), advise that he or she wants the Defense Group and Supplemental Participating Publishers to remove from publicly accessible non-image-based electronic databases (or, if the work has been previously removed, not to restore) Subject Works whose copyright he or she owns. Any Claimant who exercises this right shall receive as his or her Settlement Payment for such Subject Work 65% of the amount that he or she would otherwise have been entitled to receive pursuant to paragraph 4. The Defense Group and/or Supplemental Participating Publishers will thereupon remove (or not restore) the specified Subject Works from their respective non-image-based databases. In the case of image-based electronic databases, for purposes of this settlement only, the obligation to remove shall be satisfied by disabling the functionality that allows the individual article record to be returned apart from the full context of the original print publication.

b. To the extent that any Claimant does not exercise the right provided for in paragraph 5.a above, any member of the Defense Group and any Supplemental Participating Publisher may, should it choose to do so and without further liability or obligation, restore to accessibility those Subject Works (and only those Subject Works)

previously taken down, or continue the electronic distribution and use of those Subject Works presently available. The continued use and/or restoration provided for in this paragraph is not a transfer of ownership to the Subject Work, and nothing in this settlement shall operate to transfer any ownership interests in any Subject Works that are the subject of this agreement to any member of the Defense Group, Supplemental Participating Publisher or any other person or entity. Subject to paragraph 13.b. below, the continued use and/or restoration provided for in this paragraph permits the Defense Group and Supplemental Participating Publishers to continue to use the Subject Works for editorial or commercial purposes on a non-exclusive basis. It is considered by plaintiffs to constitute a non-exclusive license for future database use, and is valued by plaintiffs as 35% of the full amount per Subject Work under the Plan of Allocation; and it is considered by the Defense Group to be a compromise and restatement of preexisting non-exclusive rights obtained through oral or implied-in-fact agreements and provision for the expenditures occasioned by takedown or incomplete restoration.

c. In the case of all Subject Works that a claimant asks to be removed (or not restored) within the period specified in 5.a above, each member of the Defense Group and each Supplemental Participating Publisher will, respectively, be responsible for the prompt removal of such Subject Works from all of its own public databases, web sites, or transmission feeds on which those works appear, after the provision

to it of such requests. If any such work is not removed within thirty days of the provision of such notices after the close of the claims period, the Claims Administrator will repeat the request to the non-compliant party (such repeated request being the exclusive remedy for failure to comply with the initial request to remove or not restore the Subject Work). If the work is not thereupon removed within 30 days of such second written notice, the Claimant or his or her representative may, in addition to all other available remedies, seek an Order of the Court requiring its immediate removal. If the Claimant or his or her representative makes such a motion for the reasons set forth in this paragraph against any Defense Group member or Supplemental Participating Publisher, and if the motion is granted, then the Defense Group member or Supplemental Participating Publisher hereby agrees to pay the claimant's reasonable attorneys fees and costs incurred in the prosecution of the motion.

d. The procedures set forth in this Section 5 apply only with respect to Subject Works and only for purposes of this Settlement. Nothing in this Settlement Agreement is intended to reflect any position on any question whatever that may arise in future litigation, including without limitation litigation concerning (a) works other than Subject Works, or (b) litigation by persons who exclude themselves from the Class. No party to the litigation or to this Settlement Agreement, including without limitation plaintiffs and class members, defendants, Participating Publishers, and Supplemental Participating

Publishers, may use the fact of this Settlement or any provision or language contained in this Agreement in connection with the prosecution or defense of any future copyright infringement or other claim, except for a claim relating to the interpretation, enforcement, or application of this Agreement or claims relating to Subject Works.

6. Claims Administration Program.

a. A Proof of Claim substantially in the form attached to the Claims Administration Memorandum (Exhibit B hereto), will be made available to the Class. Class members will be required to submit their Proofs of Claim within 120 days of the first date of the Class Notice Program. Only class members who submit a valid, timely Proof of Claim are eligible to receive a Settlement Payment. The Proof of Claim requires claimants, to the best of their ability, to provide the information specified in the Claims Administration Memorandum, and all works claimed should be listed on a single Proof of Claim. The Defense Group will have the burden of proving the inaccuracy of any claims. Class members will be able to complete and submit the Proof of Claim by mail or online. Claims will be assessed for validity in accordance with the procedures and standards set forth in the Claims Administration Memorandum.

b. Within 30 days after the date of this Settlement Agreement, each Participating Publisher shall provide to Plaintiffs' Lead Counsel or their designee, either jointly or separately, in electronic form if available, (1) the names and last

known addresses of all class members identifiable after a reasonable search for such information, and (2) a declaration (the scope of the which will be agreed to by the parties) setting forth the efforts it made to search for such information.

c. No person will have any claim against Class Counsel, the Claims Administrator or other agent designated by Plaintiffs' Lead Counsel, or any member of the Defense Group or any Supplemental Participating Publisher and each of their respective past, present, and future parents, predecessors, subsidiaries, affiliates, and divisions, and all of their respective officers, directors, owners, partners, governors, employees, agents, nominees, successors, assigns, legal representatives, and licensees, for actions taken in good faith or Settlement Payments or other disbursements from the Settlement Funds made substantially in accordance with this Settlement Agreement or the settlement, the Plan of Allocation, or further orders of the Court. This agreement is not intended to, nor shall it in any way be construed or interpreted to, create or support any cause of action or any claim for damages or injunctive relief against Plaintiff, Class Counsel, the Claims Administrator or other agent designated by Plaintiffs' Lead Counsel, any member of the Defense Group or their counsel, or any third party.

7. Preliminary Settlement Approval. No later than 40 days after the execution of this Settlement Agreement, unless otherwise extended by written agreement of the parties hereto, plaintiffs shall submit to the Court a motion for

preliminary approval of the Settlement Agreement, together with a Proposed Order For Preliminary Settlement Approval, substantially in a form attached to this Settlement Agreement as Exhibit C:

a. Preliminarily approving this Settlement Agreement;

b. Certifying the Class for settlement purposes only;

c. Requiring appropriate notice to be given to the Class within 30 days of the entry of the Order for Preliminary Settlement Approval in a form and manner found by the Court to be sufficient to satisfy the requirements of Fed. R. Civ. P. 23 and federal constitutional due process, which notice shall be in a form acceptable to the parties;

d. Scheduling dates for class members to request exclusion from the Class, or object to the Settlement Agreement, and for a hearing on final approval of the Settlement Agreement;

e. Reserving jurisdiction as to each party to the settlement over the effectuation of the Settlement Agreement for all purposes, including enforcement of the terms hereof and resolving any disputes that may arise (except as provided for in the Claims Administration Memorandum); and

f. Providing that, pending a hearing on final approval of the settlement, all discovery and other proceedings in the Action are stayed except as pertains to the settlement of the Action.

Plaintiffs shall request that a hearing (in person or telephonic) on its motion for preliminary approval of this Settlement Agreement be held within 15 days after the date the motion is filed.

8. Class Notice Program. In connection with the motion filed pursuant to paragraph 7 above, Plaintiffs' Lead Counsel will submit to the Court, on notice to and approval by counsel for the defendants, such approval not to be unreasonably withheld, a proposed Notice of Class Action Settlement ("Notice") and a Summary Notice of Class Action Settlement ("Summary Notice"). The proposed Summary Notice will be substantially in the form attached to this Settlement Agreement as Exhibit D. In addition, Plaintiffs' Lead Counsel will submit to the Court, on notice to and approval by counsel for the defendants, such approval not to be unreasonably withheld, a proposed summary notice tailored for authors of Subject Works in Canadian publications ("Canadian Summary Notice"). Plaintiffs' Lead Counsel will recommend to the Court that the class notice program consist of the following (a) sending the Notice by email or first class mail, postage prepaid, to those class members who have been identified by reasonable means from the records of the Associational Plaintiffs and of the Participating Publishers, pursuant to paragraph 6.b above, at the last known address identified in those records; (b) publishing the Summary Notice and Canadian Summary Notice in the publications listed on the schedule attached hereto as Exhibit E, or reasonable substitute, if necessary, that will provide the same level of coverage to the intended audience. A

budget of $1 million for publishing the Summary Notice, and the Canadian Summary Notice in Time (Canada Edition), shall be credited against the $10 million minimum settlement amount, although the retail cost of the proposed publication notice program is substantially in excess of $1 million. To the extent payment will be required for publication of the Canadian Summary Notice in the other Canadian publications listed in Exhibit E, such payment shall be made as follows: (i) if the Defense Group's total financial obligation under this Agreement does not exceed $10 million (including any cost for publication of the Canadian Summary Notice), then such payment shall be made from the $10 million minimum settlement payment; or (ii) if the Defense Group's total financial obligation under this Agreement does exceed $10 million, then the Defense Group and plaintiffs' counsel (out of the Court approved fee award) shall split any such payment that exceeds the Defense Group's $10 million minimum settlement payment; and (c) by displaying – until the end of the 120 day claims period for Database Defendants and until the opt-out deadline for Participating Publishers – on the home page of the websites of each Defense Group member, an announcement stating, in substance, "ATTENTION AUTHORS AND JOURNALISTS CLICK HERE FOR IMPORTANT INFORMATION ABOUT THE SETTLEMENT OF THE IN RE LITERARY WORKS IN ELECTRONIC DATABASES COPYRIGHT LITIGATION," which announcement will provide a hyperlink to www.copyrightclassaction.com, a web site dedicated to the settlement of this Action and on

which the Notice, this Settlement Agreement, and other relevant information (the language of which shall be agreed to by the parties) will be displayed. All other costs of providing notice shall be paid solely out of the Settlement Funds. The Notice, among other things, shall:

a. Describe the nature of the litigation, who comprises the Class and the terms of the settlement;

b. Explain that a hearing will be held to determine the reasonableness, adequacy and fairness of this Settlement Agreement, including whether the Court should approve it, and identify the date, time and location of the hearing and explain that the date and time may change without further notice;

c. Provide that any class member who objects to the approval of this Settlement Agreement or to the final judgment to be entered in this litigation, may appear at the hearing and show cause why the proposed settlement should not be approved as fair, reasonable, and adequate and why a final judgment should not be entered;

d. Require that the objection of any such class member must be made in writing and that such objection, together with any supporting papers, must be filed with the Court within such time prior to the hearing as the Court may direct;

e. Advise class members wishing to exclude themselves from the Class as to the date and manner by which to do so; and

f. Apprise class members that a list of "de-listed" Preliminary Supplemental Participating Publishers will be posted on the web sites of the Associational Plaintiffs so that the Class can be advised of which publishers are not Released Parties.

9. The Associational Plaintiffs and their present officers and immediate past presidents will support, and publicly express their support for this settlement. Neither they nor the Representative Plaintiffs will undertake actions intended to encourage class members to opt out of the Class, exercise the removal right provided, in paragraph 5(a) above, or otherwise undermine the Settlement Agreement. However, nothing herein shall prohibit any Associational Plaintiffs' representative from rendering advice on any matter pertaining to this settlement or the Action in response to unsolicited individual inquiries.

10. Right to Rescind Agreement. The Defense Group will have the right but not the obligation to withdraw from this Settlement Agreement if, as of the deadline fixed by the Court for members of the Class to exclude themselves pursuant to Fed. R. Civ. P. 23, the total number of class members who opt out of the Class exceeds the number set forth in a separate Supplemental Agreement Regarding Opt-Outs between the parties. Any decision by the Defense Group to withdraw from this Settlement Agreement pursuant to this paragraph will be in accordance with the procedures set forth in the Supplemental Agreement Regarding Opt-Outs. The Supplemental Agreement Regarding Opt-Outs is a confidential document

among the parties to this Settlement Agreement, and will not be filed with the Court unless and until a dispute among the parties arises concerning its interpretation or application.

11. Final Fairness Hearing. If the Court preliminarily approves this Settlement Agreement and the Defense Group does not withdraw from this Settlement Agreement pursuant to its terms, plaintiffs shall, at least one week prior to the hearing for final approval of this Settlement Agreement set by the Court, or some other time as the Court may order, submit to the Court a motion for entry of an order of dismissal and final judgment substantially in the form attached to this Settlement Agreement as Exhibit F, which in substance shall:

a. Approve finally this Settlement Agreement and its terms as being a fair, reasonable and adequate settlement as to the Class members within the meaning of Rule 23 of the Federal Rules of Civil Procedure and direct its consummation according to its terms;

b. Direct that each of the lawsuits in the Action be dismissed with prejudice and without costs;

c. Forever discharge and release all of the Released Parties from all of the Released Claims and enjoin class members from further filing, commencing, prosecuting, intervening in, or pursuing any Released Claim;

d. Provide that the Released Parties, shall have no other obligations to plaintiffs or the

Class other than in the ordinary course of business;

e. Determine that the Settlement Agreement and any proceedings taken pursuant thereto are not, and should not in any event be: (i) offered or received as evidence of a presumption, concession, or admission by any Released Party of any fact or matter; or (ii) offered or received as evidence of a presumption, concession or admission of any liability, fault, wrongdoing or other dereliction of duty, or (except with written consent of the Released Party) in any way referred to for any reason in the Action, or in any other civil, criminal, bankruptcy, or administrative action or proceeding; provided, however, that reference may be made to this Settlement Agreement in such proceedings as may be necessary to effectuate the provisions of this Settlement Agreement for all purposes, including enforcement of the terms hereof and resolving any disputes that may arise;

f. Reserve jurisdiction as to each party over the effectuation of the Settlement Agreement.

g. Determine under Fed. R. Civ. P. 23 that there is no just reason for delay and direct that the judgment of dismissal with prejudice as to defendants shall be final; and

h. Contain any other provisions mandated by this Settlement Agreement.

12. Attorneys' Fees and Costs. Plaintiffs' Lead Counsel, on behalf of all Class Counsel, will apply to the Court for payment from the Settlement

Funds of attorneys' fees, their reasonable costs, and the amount, if any, of Administration Costs that exceeds $800,000, in the total amount of $4.4 million, and for a special award to the Representative Plaintiffs in the amount of $2,000 each. Further, Plaintiffs' Lead Counsel will apply to the Court for a one-time supplemental payment of attorneys' fees in the amount of the difference, if any, between the total amount of Administration Costs expended and $800,000. Plaintiffs' Lead Counsel will request that any attorneys' fees and expenses awarded be paid to Plaintiffs' Lead Counsel, and any special award be paid to the Representative Plaintiffs, on the Effective Date and, with respect to the supplemental fee award, as soon as a final determination is made with respect to the total amount of Administration Costs. Plaintiffs' Lead Counsel shall thereafter allocate any attorneys' fees among Class Counsel in a manner in which Plaintiffs' Lead Counsel in good faith believe reflects the contribution of such counsel to the prosecution and settlement of the Action. No member of the Defense Group and no one on behalf of any member of the Defense Group shall object to or take any steps whatever to undermine any application by Plaintiffs' Lead Counsel for reasonable attorneys' fees and costs in the amount of $4.4 million, or for a special award in the amount of $2,000 to each of the Representative Plaintiffs.

13. Releases.

a. Without further action by anyone, and subject to paragraph 11, as of the Effective

Date, any and all Class members, on behalf of themselves, their heirs, executors, administrators, predecessors, successors, assigns, any person claiming by or through any Class members and any person representing any or all Class members, for good and sufficient consideration, the receipt and adequacy of which are hereby acknowledged, shall be deemed to have, and by operation of law and the Order of Dismissal and Final Judgment shall have, fully, finally, and forever released, relinquished, settled, and discharged all Released Claims against each and every one of the Released Parties.

b. Notwithstanding anything in paragraph 1.n. above, the releases shall be construed to provide, and this Settlement Agreement provides, that a Subject Work which class members do not elect to have removed or not restored under paragraph 5 above may, under the authority provided by this Settlement and the releases and Orders provided in connection therewith, be electronically reproduced, distributed, displayed, licensed, sold, or adapted by (but only by) each Defense Group Member or Supplemental Participating Publisher that allegedly infringed the Subject Work. These rights shall be irrevocable, worldwide, and continuing, and may be fully transferred to and acquired by those successors and assigns that have purchased or otherwise acquired ownership or control (i) of any Defense Group Member or Supplemental Participating Publisher (or of any substantial segment of the business thereof), or (ii) of all or substantially all of the assets of any

such person, or with respect to any publication or publications.

c. Each and every Class member, through plaintiffs as representatives of the Class, covenants and agrees that, as of the Effective Date, he or she shall be forever barred from instituting, maintaining, prosecuting, or assigning any and all Released Claims against, or collecting on any and all Released Claims, from any of the Released Parties (including without limitation by participating in, or recovering as a result of, any class or representative action, whether under federal, state, or other law, in which any Released Claims have been or may be brought).

d. No claims hereunder shall be released against Preliminary Supplemental Participating Publishers who are "de-listed" under paragraph 3.d above. The Notice shall apprise class members that a list of "de-listed" publishers will be posted on the web sites of the Associational Plaintiffs so that the Class will be advised of which publishers are not Released Parties.

e. The Defense Group and Supplemental Participating Publishers, for good and valuable consideration, and upon the Effective Date without further action, shall release and discharge plaintiffs and every member of the Class who has not timely excluded himself or herself, and each of their respective successors, assigns or legal representatives, and Class Counsel, from any and all claims, demands, causes of action, or obligations of any kind based upon the commencement and prosecution of this

Action, including costs, expenses and attorneys' fees.

f. With respect to any and all Released Claims, and upon the Effective Date without further action, for good and valuable consideration, plaintiffs and all class members shall be deemed to have, and by operation of the Order of Dismissal and Final Judgment contemplated by this Settlement Agreement shall have, fully, finally, and forever expressly waived and relinquished, to the fullest extent permitted by law, any and all provisions, rights, and benefits of section 1542 of the California Civil Code and any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States or principle of common law that is similar, comparable, equivalent or identical to section 1542 of the California Civil Code, which provides:

> A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

Each member of the Class may hereafter discover facts other than or different from those that he, she, or it knows or believes to be true with respect to the Released Claims, but each member of the Class hereby expressly waives and fully, finally, and forever settles and releases, upon the Settlement Agreement becoming final,

any known or unknown, suspected or unsuspected, contingent or non-contingent claim that is a Released Claim, without regard to the subsequent discovery or existence of such different or additional facts.

14. Miscellaneous Provisions.

a. This Settlement Agreement, if not terminated pursuant to any provision hereof, shall become final on the Effective Date.

b. Upon final approval of this Settlement Agreement, plaintiffs and/or members of the Class who have not timely excluded themselves from the Class shall be deemed to have stipulated that the Action shall be dismissed with prejudice.

c. After the Effective Date, the Final Settlement Funds, less any disbursements for taxes, Court-approved costs and expenses of notice and administration, and any Court awarded attorneys' fees and reimbursement of expenses, shall be distributed to members of the Class in accordance with the Plan of Allocation as approved by the Court. Except as otherwise provided herein, disbursements for the costs and expenses of distribution and administration of the Settlement Fund shall be made solely from the Settlement Funds with approval of the Court.

d. Subject to the Defense Group's approval, which approval shall not be unreasonably withheld, Plaintiffs' Lead Counsel are authorized to retain the Claims Administrator, whose fees and expenses will be paid from the Settlement Funds in accordance with this

Settlement Agreement, to carry out the responsibilities relating to providing notice to the Class, administering the Settlement Funds and administering the settlement.

e. In the event (i) the Court denies the motion for preliminary or final approval of, or otherwise refuses to approve, this Settlement Agreement or any material part of it, (ii) the final judgment contemplated by paragraph 11 hereof is not entered, (iii) the final judgment contemplated by paragraph 11 shall have been vacated, reversed or modified upon appeal, (iv) the Settlement Agreement is rescinded, withdrawn, or otherwise terminated in accordance with its terms, or (v) this Settlement Agreement does not become final for any reason, this Settlement Agreement shall be null and void (except for the provisions in 14.f, which will remain in full force and effect) and of no force and effect (unless all parties agree to proceed with the settlement as modified by the Court, in Which event the parties shall proceed with the Settlement Agreement as modified), and this Settlement Agreement and all negotiations and proceedings connected with it shall be without prejudice to the rights of any party hereto, shall not be deemed or construed to be an admission by any party of any fact or matter, and shall not be used in any way in these actions or in any other action or proceedings).

f. In the event this Settlement Agreement is terminated or rescinded, or does not become final for any reason, within 5 business days of notice by the Defense Group of such event the Settlement Funds, including interest, shall be

disbursed to the Defense Group by wire transfer into an account designated by the Defense Group, less the portion attributable to them of any Court-approved costs, including Administrative Costs incurred for administering the Settlement Funds, and for giving notice and administering the settlement as provided for in this Settlement Agreement, including a reasonable reserve for accrued but not yet paid Administrative Costs. For purposes of the disbursement made pursuant to this paragraph, no deduction shall be made for Class Counsel's fees or for any costs other than those costs already incurred for providing class notice and administering the settlement, as provided for in this Settlement Agreement, Class Counsel shall not be responsible for any losses, principal or otherwise, of the Settlement Funds.

g. In addition to the effect of any final judgment entered, in these actions, upon approval by the Court, this Settlement Agreement, including but not limited to the Releases provided herein, (i) shall inure to the benefit of and be binding upon the Defense Group and each member of the Defense Group's past, present, and future parents, predecessors, subsidiaries, affiliates, and divisions, and all of their respective officers, directors, owners, partners, governors, employees, agents, nominees, successors, assigns and legal representatives, and (ii) shall also inure to the benefit of and be binding upon plaintiffs and each and every member of the Class who does not timely exclude himself or herself.

h. All notices, demands, and requests as specified herein shall be in writing and shall be

sent by facsimile (if practicable) and overnight courier to Plaintiffs' Lead Counsel and each of the undersigned counsel for the Defense Group. In no event shall the time period for taking any action under this Settlement Agreement be extended by reason of Fed. R. Civ. P. 6(e).

i. Within 30 days after the Effective Date, Class Counsel will destroy all copies of all documents produced to plaintiffs by any member of the Defense Group. Class Counsel will notify the Defense Group in writing that such destruction has occurred.

j. The parties may execute this Settlement Agreement in counterparts, and the execution of the counterparts shall have the same effect as if all parties have signed the same instrument. Any executed counterpart of this Settlement Agreement may be transmitted by facsimile, and such counterpart shall be treated as an original. The fully executed Settlement Agreement that is filed with the Court, however, will contain all original signature pages. All of the Exhibits to the Settlement Agreement are material and integral parts hereof.

k. Other than as expressly set forth in this Settlement Agreement, no party to the Settlement Agreement has relied on any representation of another party in entering into the Settlement Agreement.

l. No provision of this Settlement Agreement may be modified except by a writing signed by all parties hereto.

m. Subject to the Claims Administration Memorandum (Exhibit B hereto), the parties agree that this Court shall retain jurisdiction over the interpretation and implementation of this Settlement Agreement.

n. This Settlement Agreement may be pleaded as a full and complete defense to, and may be used as the basis for an injunction against, any action, suit, or other proceeding that may be instituted, prosecuted, maintained, or attempted in breach of this Settlement Agreement.

o. This Settlement Agreement, the Notice of Class Action Settlement, the Canadian Summary Notice and the Supplemental Agreement Regarding Opt-Outs contain an entire, complete, and integrated statement of each and every term and provision agreed to by and among the Parties; set forth the entire agreement among the Parties with respect to its subject matter; and are not subject to any condition hot provided for herein, except that Exhibit A may be modified up until three days prior to the date on which plaintiffs file their Motion for Preliminary Settlement Approval, for the sole purpose of adding publishers to the list of Participating Publishers. In all other respects, this Agreement and the Supplemental Agreement Regarding Opt-Outs may not be changed, altered or amended other than by a written agreement signed by the party sought to be charged with such change, alteration, or amendment. The Parties shall not, in any proceeding or otherwise, use or refer to any parol evidence with regard to the interpretation or

meaning of this Agreement and the Supplemental Agreement Regarding Opt-Outs.

p. The parties agree that no party is a "prevailing party" in the Action.

q. This Agreement is not intended to, and does not, create any rights or benefits for any party that is de-listed by the Database Defendants pursuant to paragraph 3.d of this Agreement.

IN WITNESS THEREOF, the parties hereto have caused this Settlement Agreement to be executed by their duly authorized representatives on the _____ day of _____, 2005.

Signature Omitted

/s/ Michael J. Boni

Michael J. Boni
Kohn, Swift & Graf, P.C.
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/s/ Diane S. Rice

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/s/ A.J. De Bartolomeo
A. J. De Bartolomeo

Girard Gibbs & De Bartolomeo LLP
601 California St., Suite 1400
San Francisco, CA 94108
Lead Counsel for Plaintiffs and the Class

Signatures Omitted

Summary of Exhibits Omitted

EXHIBIT A

PARTICIPATING PUBLISHERS

(The parties expressly agree that this list may be augmented at any time up until three days prior to the date on which plaintiffs file their Motion For Preliminary Settlement Approval.)

American Lawyer Media Inc.

Atlantic Media Inc.

Capital City Press

Capital Newspapers

Cox Enterprises, Inc.

Daily News, L.P.

Dow Jones & Company, Inc.

Forbes Inc.

Freedom Communications, Inc.

Gannett Co., Inc.

Gruner & Jahr USA Publishing

Hachette Filipacchi Media U.S., Inc.

Johnson Newspaper Corp.

Knight-Ridder, Inc.

Landmark Communications, Inc.

Media General, Inc.

Media News

News America Incorporated

Newspaper Association of America

NewTimes Media LLC

North Jersey Media Group Inc.

Primedia Inc.

The Capital Times

The Copley Press, Inc.

The Dallas Morning News

The Hearst Corporation

The McClatchy Company

The McGraw-Hill Companies, Inc.

The New York Times Company

The Press-Enterprise

The Thomson Corporation

The Washington Post Company

Time Inc.

Tribune Publishing Company

Wisconsin State Journal

Ziff Davis Media LLC

ORDER OF THE U.S. DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK DATED SEPT. 27, 2005

IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK

IN RE LITERARY WORKS IN ELECTRONIC DATABASES COPYRIGHT LITIGATION	))))	MDL No. 1379

ORDER FOR FINAL APPROVAL OF SETTLEMENT AND FINAL JUDGMENT

This matter is before the Court pursuant to the motion of plaintiffs in the above-captioned class action (the "Action") for final approval of settlement with defendants The Dialog Corporation, Dow Jones & Company, Inc., Dow Jones Reuters Business Interactive, LLC, d/b/a Factiva, EBSCO Industries, Inc., The Gale Group Inc., Knight-Ridder, Inc., Knight Ridder Digital, Mediastream, Inc., NewsBank, The New York Times Company, ProQuest Company, ProQuest Information and Learning Company, Reed Elsevier Inc., The Thomson Corporation, The Copley Press, Inc., and West Publishing Corporation d/b/a West Group (collectively, "defendants"), and with the non-parties Listed in Exhibit A of the Settlement Agreement ("Participating Publishers"). (Defendants and the Participating Publishers shall be referred to collectively herein as the "Defense Group.")

Plaintiffs have moved for an Order approving the settlement of the Action in accordance with a Settlement Agreement dated March 21, 2005 between plaintiffs and the Defense Group (the "Settlement Agreement"). Having read and considered the Settlement Agreement of the parties and having held a hearing on the fairness of the proposed settlement, at which objectors to the settlement could appear, and based upon familiarity with the files and proceedings in this manner, the Court finds that:

1. The Court preliminarily approved the Settlement Agreement by Order of March 31, 2005 (the "Preliminary Approval Order"), and preliminarily approved the Amendment to the Settlement Agreement on July 28, 2005 ("Supplemental Preliminary Approval Order").

2. Notice of the proposed settlement has been timely disseminated in accordance with the terms of the Preliminary Approval Order and Supplemental Preliminary Approval Order, which approved the proposed settlement and authorized such notice. Such notice is the best practicable notice to be provided and satisfies the requirements of Rule 23 of the Federal Rules of Civil Procedure.

3. The issues as to liability and remedies in the Action are issues as to which there are substantial grounds for difference of opinion, and the proposed settlement of the Action constitutes a resolution of those issues that is fair, reasonable and adequate to the members of the Class certified herein.

Accordingly, it is hereby

ORDERED as follows:

4. The Settlement Agreement is approved as fair, reasonable, and adequate pursuant to Rule 23 of the Federal Rules of Civil Procedure and in the best interest of the Class, and the parties are directed to consummate the Settlement Agreement in accordance with its terms.

5. The following Class (the "Class"), provisionally certified in the Preliminary Approval Order, is now finally certified for purposes of this settlement only:

> All persons who, individually or jointly, own a copyright under the United States copyright laws in an English language literary work that has been reproduced, displayed, adapted, licensed, sold and/or distributed in any electronic or digital format, without the person's express authorization by a member of the Defense Group or any member's subsidiaries, affiliates, or licensees (a) at any time on or after August 15, 1997 (regardless of when the work first appeared in an electronic database) or (b) that remained in circulation after August 15, 1997, even if licensed prior thereto, including English language works qualifying for U.S. copyright

> protection under an international treaty (hereinafter "Subject Work"). Notwithstanding anything in the immediately preceding sentence to the contrary, a copyrighted work created prior to January 1, 1978, is a Subject Work only if it (a) has been electronically or digitally reproduced, displayed, adapted, licensed, sold and/or distributed by a Participating Publisher without the person's express authorization, and (b) is from a publication whose pre-1978 works have not been excluded from this settlement, as indicated on Exhibit A. Included in the Class are all copyright owners of Subject Works who, after June 25, 2001, responded to The New York Times Company's Restoration Request website or print advertisements.

The Court finds that (a) the Class is so numerous that joinder of all members is impracticable; (b) there are questions of law and fact common to the Class; (c) claims of the Representative Plaintiffs are typical of the claims of all members of the Class; (d) the Representative Plaintiffs have fairly and adequately protected and will fairly and adequately protect the interests of the Class; (e) common questions of law and fact predominate over questions affecting only individual members of the Class, and a class action is superior to other available methods for the fair and efficient adjudication of this controversy.

6. The Action is hereby dismissed, with prejudice and without costs.

7. The releases contained in the Settlement Agreement are hereby effective, with the following provision: No claims shall be released with respect to works published in scientific or research-based medical journals.

8. There is no just reason for delay and the judgment of dismissal with prejudice as to defendants shall be final.

9. The Settlement Agreement and any proceedings taken pursuant thereto are not, and should not in any event be: (a) offered or received as evidence of a presumption, concession or admission by any Released Party of any fact or matter; or (b) offered or received as evidence of a presumption, concession or admission of any liability, fault, wrongdoing or other dereliction of duty, or (except with written consent of the Released Party) in any way referred to for any reason in the Action, or in any other civil, criminal, bankruptcy, or administrative action or proceeding; provided, however, that reference may be made to the Settlement Agreement in such proceedings as may be necessary to effectuate the provisions of the Settlement Agreement.

10. Consummation of the Settlement shall proceed as described in the Settlement Agreement, and the Court hereby reserves jurisdiction over the subject matter and as to each party to the Settlement Agreement with respect to the interpretation, effectuation, and

implementation of the Settlement Agreement for all purposes, including enforcement of any of the terms hereof at the instance of any party and resolution of any disputes that may arise relating in any way to, or arising from, the implementation of the Settlement Agreement or the implementation of this Order.

11. Attached hereto is a list of persons who timely excluded themselves from the Settlement. Those persons are not bound by any terms in this Order. [Omitted from Joint Appendix]

12. Attorneys' fees and reimbursement of expenses to Class Counsel in the total amount of $4.4 million are hereby approved and awarded.

13. A special fee award to the Representative Plaintiffs, in the amount of $2,000 each, is hereby approved and awarded.

14. Pursuant to the terms hereof, final judgment shall be entered as provided herein.

DATED this 27th day of September, 2005.

/s/ George M. Daniels

Honorable George M. Daniels,
United States District Judge

ORDER GRANTING THE PETITION FOR A WRIT OF CERTIORARI, DATED MAR. 2, 2009

Caption Omitted

The petition for a writ of certiorari is granted limited to the following question: Does 17 U.S.C. §411(a) restrict the subject matter jurisdiction of the federal courts over copyright infringement actions?

PETITIONER'S BRIEF

129

(6)

No. 08-103

Supreme Court, U.S.
FILED
MAY 18 2009
OFFICE OF THE CLERK

IN THE

Supreme Court of the United States

REED ELSEVIER INC. *et al.*,

Petitioners,

v.

IRVIN MUCHNICK *et al.*,

Respondents,

LETTY COTTIN POGREBIN *et al.*,

Respondents.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

BRIEF FOR PETITIONERS

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Counsel for Petitioners

(Additional Counsel Listed on Signature Page)

BOTH 4KZNYM

261 99

QUESTION PRESENTED

Does 17 U.S.C. § 411(a) restrict the subject matter jurisdiction of the federal courts over copyright infringement actions?

LIST OF PARTIES

There are no additional parties to the proceeding other than those listed in the caption. The first group of respondents identified in the caption (Irvin Muchnick *et al.*) were objectors in the district court and appellants in the Second Circuit. The second group of respondents identified in the caption (Letty Cottin Pogrebin *et al.*) were the plaintiffs in the district court and appellees, along with the defendants, in the Second Circuit.

CORPORATE DISCLOSURE STATEMENT

The Rule 29.6 Statement in the Petition remains accurate, except that: (1) Dialog Corporation is now known as Dialog LLC; (2) ProQuest Company is now known as Voyager Learning Company; (3) ProQuest Information and Learning Company is now known as ProQuest, LLC; and (4) the list of the corporate parents and other publicly held companies owning 10% or more of any petitioner's stock should include Cambridge Information Group, Bestinver Gestion SGIIC, S.A., and Acciona, S.A., and not include ProQuest Company.

TABLE OF CONTENTS

	Page
QUESTION PRESENTED	i
LIST OF PARTIES	ii
CORPORATE DISCLOSURE STATEMENT	ii
TABLE OF CONTENTS	iii
TABLE OF CITED AUTHORITIES	vi
OPINIONS BELOW	1
STATEMENT OF JURISDICTION	1
STATUTORY PROVISIONS INVOLVED	1
STATEMENT OF THE CASE	2
SUMMARY OF ARGUMENT	12
ARGUMENT	15
I. THE TEXT, STRUCTURE, HISTORY, AND PURPOSE OF § 411(a) MAKE CLEAR THAT ITS REGISTRATION REQUIREMENT IS MANDATORY BUT NOT JURISDICTIONAL.	15

Contents

Page

A. Under The "Bright Line" Test Of *Arbaugh v. Y & H Corp.*, The Registration Requirement Is Not Jurisdictional Because Congress Did Not Call It Jurisdictional. 18

B. According To The Statutory Indicia Recognized By This Court, Registration Is Not Jurisdictional. 23

1. *Statutory Text and Structure.* 23

2. *Legislative History.* 27

3. *Prior Copyright Laws.* 33

4. *Purpose.* 37

C. The Circuit Court Decisions Referring To § 411(a)'s Registration Requirement As "Jurisdictional" Have Not Been Predicated On The Careful Analysis Mandated By This Court In *Arbaugh.* 40

II. EVEN IF § 411(a) RESTRICTS SUBJECT MATTER JURISDICTION, THAT RESTRICTION APPLIES ONLY TO INSTITUTING ACTIONS, NOT SETTLING THEM. 45

Contents

Page

A. The Statutory Text Focuses On "Institut[ing]" Actions, Not Settling Them. 45

B. As A General Rule, Jurisdiction Over An Action Extends To Approving Settlements That Release Claims The Court Lacked Authority To Try. 48

CONCLUSION 52

ADDENDUM A: Statutes Expressly Limiting the Jurisdiction of Federal Courts A1

ADDENDUM B: Separate Lineage of Statutes Requiring Registration and Granting Jurisdiction A20

TABLE OF CITED AUTHORITIES

Page

CASES

A&M Records, Inc. v. A.L.W., Ltd.,
855 F.2d 368 (7th Cir. 1988) 44

Albemarle Paper Co. v. Moody,
422 U.S. 405 (1975) 50

Arbaugh v. Y & H Corp.,
546 U.S. 500 (2006) ..... *passim*

Bowles v. Russell,
551 U.S. 205 (2007) 9, 22

Brewer-Giorgio v. Producers Video, Inc.,
216 F.3d 1281 (11th Cir. 2000) 42

Brooks-Ngwenya v. Indianapolis Pub. Schools,
2009 U.S. App. LEXIS 8126 (7th Cir. Apr. 15, 2009) 43

Califano v. Yamaski,
424 U.S. 682 (1979) 50

Campbell v. Acuff-Rose Music,
510 U.S. 569 (1994) 30

Carlsbad Tech., Inc. v. HIF Bio, Inc.,
2009 U.S. LEXIS 3304 (May 4, 2009) 15, 47

Cited Authorities

Page

Class Plaintiffs v. City of Seattle,
955 F.2d 1268 (9th Cir. 1992) 48

Data Gen. Corp. v. Grumman Sys. Support Corp.,
36 F.3d 1147 (1st Cir. 1994) 42

Davis v. Passman,
442 U.S. 228 (1979) 15

Day v. McDonough,
547 U.S. 198 (2006) 17, 25-26

Denney v. Deutsche Bank A.G.,
443 F.3d 253 (2d Cir. 2006) 9

Eberhart v. United States,
546 U.S. 12 (2005) 9, 17, 21

Eldred v. Ashcroft,
537 U.S. 186 (2003) 30

Exxon Mobil Corp. v. Allapattah Servs.,
545 U.S. 546 (2005) 46, 50

Fogerty v. Fantasy, Inc.,
510 U.S. 517 (1994) 30

Franks v. Bowman Transp. Co.,
424 U.S. 747 (1976) 50

Cited Authorities

Page

Gaiman v. McFarlane,
360 F.3d 644 (7th Cir. 2004) 43

Grimes v. Vitalink Commc'ns Corp.,
17 F.3d 1553 (3d Cir. 1994) 48

Grupo Dataflux v. Atlas Global Group, L.P.,
541 U.S. 567 (2004) 47

Hallstrom v. Tillamook County,
493 U.S. 20 (1989) ..... *passim*

Henderson v. United States,
517 U.S. 654 (1996) 15

Herman & MacLean v. Huddleston,
459 U.S. 375 (1983) 45

In re Corrugated Container Antitrust Litig.,
643 F.2d 195 (5th Cir. 1981) 48

In re Prudential Ins. Co. of Am. Sales Practice Litig.,
261 F.3d 355 (3d Cir. 2001) 48

John R. Sand & Gravel Co. v. United States,
128 S. Ct. 750 (2008) 22

Cited Authorities

Page

Kontrick v. Ryan,
540 U.S. 443 (2004) 9, 17, 26

La Resolana Architects v. Clay Realtors Angel Fire,
416 F.3d 1195 (10th Cir. 2005) 42

Landgraf v. USI Film Prods.,
511 U.S. 244 (1994) 27

Lauritzen v. Larsen,
345 U.S. 571 (1953) 26

Lexecon Inc. v. Milberg Weiss Bershad Hynes & Lerach,
523 U.S. 26 (1998) 48

Local No. 93, Int'l Ass'n of Firefighters v. City of Cleveland,
478 U.S. 501 (1986) 49, 50

Matsushita Elec. Indus. Co. v. Epstein,
516 U.S. 367 (1996) 48, 49, 50, 51

Morris v. Bus. Concepts, Inc.,
259 F.3d 65 (2d Cir. 2001), *amended by*
283 F.3d 502 (2d Cir. 2002) 41

Murray Hill Publ'ns, Inc. v. ABC Commc'ns, Inc.,
264 F.3d 622 (6th Cir. 2001) 42

Cited Authorities

Page

Nat'l Football League v. McBee & Bruno's, Inc., 792 F.2d 726 (8th Cir. 1986) 44

New York Times Co. v. Tasini, 533 U.S. 483 (2001) ..... *passim*

Nottingham Partners v. Trans-Lux Corp., 925 F.2d 29 (1st Cir. 1991) 48

Olan Mills, Inc. v. Linn Photo Co., 23 F.3d 1345 (8th Cir. 1994) 44

Pac. & S. Co. v. Duncan, 744 F.2d 1490 (11th Cir. 1984) 44

Palmore v. United States, 411 U.S. 389 (1973) 16

Pickett v. Prince, 207 F.3d 402 (7th Cir. 2000) 43

Positive Black Talk, Inc. v. Cash Money Records, Inc., 394 F.3d 357 (5th Cir. 2004) 42

Rockwell Int'l Corp. v. United States, 549 U.S. 457 (2007) 12, 16, 18

Scarborough v. Principi, 541 U.S. 401 (2004) 16, 49

Cited Authorities

Page

Sims v. Apfel,
530 U.S. 103 (2000) 14

Steel Co. v. Citizens for a Better Env't,
523 U.S. 83 (1998) 12, 16, 26, 40

TBK Partners Ltd. v. Western Union Corp.,
675 F.2d 456 (2d Cir. 1982) 49

Techniques, Inc. v. Rohn,
592 F. Supp. 1195 (S.D.N.Y. 1984) 43

The Fair v. Kohler Die & Specialty,
228 U.S. 22 (1913) 26

United States v. Cotton,
535 U.S. 625 (2002) 15

Vacheron & Constantin-Le Coultre Watches, Inc. v. Benrus Watch Co.,
260 F.2d 637 (2d Cir. 1958) 19, 20, 21, 37

Verizon Md. Inc. v. PSC of Md.,
535 U.S. 635 (2002) 23

Wal-Mart Stores, Inc. v. Visa U.S.A., Inc.,
396 F.3d 96 (2d Cir. 2005) 48

Washington Publ'g Co. v. Pearson,
306 U.S. 30 (1939) ..... *passim*

Cited Authorities

Page

Weinberger v. Salfi,
422 U.S. 749 (1975) 24-25, 50

Weitzman v. Microcomputer Res., Inc.,
542 F.3d 859 (11th Cir. 2008) 43

Well-Made Toy Mfg. Corp. v. Goffa Int'l Corp.,
354 F.3d 112 (2d Cir. 2003) 41

Wheaton v. Peters,
33 U.S. (8 Pet.) 591 (1834) 35

Williams v. GE Capital Auto Lease,
159 F.3d 266 (7th Cir. 1998) 49

Xoom, Inc. v. Imageline, Inc.,
323 F.3d 279 (4th Cir. 2003) 42

Yellow Freight Sys., Inc. v. Donnelly,
494 U.S. 820 (1990) 23

Zipes v. TWA, Inc.,
455 U.S. 385 (1982) ..... *passim*

Page

STATUTES

15 U.S.C. § 78i(e) 25

17 U.S.C. § 101 11

17 U.S.C. § 106A 11

17 U.S.C. § 408 10

17 U.S.C. § 409 10

17 U.S.C. § 410 30

17 U.S.C. § 410(c) 10, 26

17 U.S.C. § 410(d) 10

17 U.S.C. § 411 27

17 U.S.C. § 411(a) ..... *passim*

17 U.S.C. § 411(b) 27

17 U.S.C. § 411(c) 10, 12

17 U.S.C. § 412 ..... 11, 26, 30

17 U.S.C. § 501(b) 13, 27, 46

17 U.S.C. § 502(a) 13, 27

Cited Authorities

Page

19 U.S.C. § 1621 25

28 U.S.C. § 1254(1) 1

28 U.S.C. § 1291 1

28 U.S.C. § 1331 ..... *passim*

28 U.S.C. § 1338 & 1338(a) ..... *passim*

28 U.S.C. § 1346 24

28 U.S.C. § 1350 25

28 U.S.C. § 1367 9

28 U.S.C. § 2107 22

28 U.S.C. § 2501 22

42 U.S.C. § 405(g) 50

42 U.S.C. § 405(h) 24, 50

42 U.S.C. § 2000e-5(e), (f) 24

43 U.S.C. § 902 25

49 U.S.C. § 10709(c)(2) 25

Act of May 31, 1790, 1 Stat. 124, §§ 2-3 33

Berne Convention Implementation Act of 1988 ... 46

Cited Authorities

Page

Family Entertainment and Copyright Act of 2005, Pub. L. No. 109-9, 119 Stat. 218 (2005) 31

Semiconductor Chip Protection Act of 1984, Pub. L. 980620, 98 Stat. 3347 32

RULES

Fed. R. Crim. P. 33 21

Fed. R. Civ. P. 12(b)(1) 41

Fed. R. Civ. P. 23 2

Fed. R. Civ. P. 23(a) and (b)(3) 7

Fed. R. Civ. P. 56 41

LEGISLATIVE MATERIALS

134 CONG. REC. S14554 (daily ed. Sept. 26, 1988) 31

139 CONG. REC. E 337 (Extension of Remarks, Feb. 16, 1993) 31

1961 Register's Report Sec. B(1)(e) 20, 29

House Report on the Semiconductor Chip Protection Act of 1984, H.R. Rep. No. 98-781 (1984) 32

Cited Authorities

Page

H.R. Rep. No. 100-609 (1988), *reprinted in* 1988 U.S.C.C.A.N. 3706 ..... 31, 38

H.R. Rep. No. 101-514 (1990), *reprinted in* 1990 U.S.C.C.A.N. 6915 32

H.R. Rep. No. 108-700 (2004) 32

H.R. Rep. No. 109-33, *reprinted in* 2005 U.S.C.C.A.N. 220 (2005) 32

H.R. Rep. No. 110-617 (2008) 32

H.R. Rep. No. 7083, 59th Cong., 2d Sess. (1907) .. 37

H.R. Rep. No. 94-1476 (1976), *reprinted in* 1976 U.S.C.C.A.N. 5659 ..... *passim*

S. Rep. No. 100-352 (1988), *reprinted in* 1988 U.S.C.C.A.N. 3706 ..... 31, 38

S. Rep. No. 6187, 59th Cong., 2d Sess. (1907) ... 37

S. Rep. No. 94-473 (1976) 29, 38

Minutes of the Civil Rules Advisory Committee, Apr. 19-20 (1999) 34

Cited Authorities

Page

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Visual Artists Rights Act of 1990, Pub. L. No. 101-650, 104 Stat. 5089 (1990) 31

ADMINISTRATIVE REGULATIONS

37 C.F.R. § 201.1(b)(3) 10

37 C.F.R. § 202.20(b)(vii)(B) 11

OTHER AUTHORITIES

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Compendium of the Copyright Office Practices II § 602 ..... 10, 11

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Page

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OPINIONS BELOW

The opinion of the United States Court of Appeals for the Second Circuit is reported at 509 F.3d 116 (2d Cir. 2007). Pet. App. 1a. The final judgment of the United States District Court for the Southern District of New York is unpublished and reproduced at Pet. App. 53a and JA 152. The unpublished decision of the district court is transcribed and reproduced at Pet. App. 48a-58a.

STATEMENT OF JURISDICTION

The district court had jurisdiction under 28 U.S.C. §§ 1331 and 1338, and the Second Circuit had jurisdiction under 28 U.S.C. § 1291. The Second Circuit's opinion was entered on November 29, 2007, and a timely petition for rehearing and rehearing en banc was denied on April 15, 2008. Pet. App. 1a, 59a. On June 9, 2008, Justice Ginsburg extended the time to file a petition for writ of certiorari to and including August 13, 2008. Pet. App. 62a. This Court has jurisdiction under 28 U.S.C. § 1254(1).

STATUTORY PROVISIONS INVOLVED

This case involves § 411(a) of the Copyright Act of 1976, 17 U.S.C. § 411(a), which provides in pertinent part:

> [N]o civil action for infringement of the copyright in any United States work shall be instituted until preregistration or registration of the copyright claim has been made in accordance with this title. In any case, however, where the deposit, application, and fee required for registration have been delivered to the Copyright Office in proper

> form and registration has been refused, the applicant is entitled to institute a civil action for infringement if notice thereof, with a copy of the complaint, is served on the Register of Copyrights. The Register may, at his or her option, become a party to the action with respect to the issue of registrability of the copyright claim by entering an appearance within sixty days after such service, but the Register's failure to become a party shall not deprive the court of jurisdiction to determine that issue.

STATEMENT OF THE CASE

This case presents an issue of exceptional importance to the nation's freelance authors, newspaper and magazine publishers, archival databases, and the researching public. Its resolution will decide whether, in connection with the nationwide class action spawned by *New York Times Co. v. Tasini*, 533 U.S. 483 (2001), the parties may globally settle their differences by compensating and releasing the claims of freelance authors with respect to all their contributions to the databases. *Tasini* expressly contemplated that databases, publishers, and authors could reach a court-enforceable global settlement. *Id.* at 505. On that basis, the parties and publishers spent over four years of intensive negotiations to reach an industry-wide settlement that was approved under Rule 23.

The Second Circuit, however, upended that agreement on a ground that was not raised by any of the parties. Its sole rationale was that the register-before-instituting-suit provision in § 411(a) of the Copyright Act erected a jurisdictional bar to the

inclusion of unregistered works in any settlement. The court relied almost exclusively on its own precedents to reach that conclusion. But the text, structure, purpose, and legislative history of the Copyright Act, as well as over 200 years of copyright legislation, lack the faintest suggestion that registration is jurisdictional. Nor did the court address *Arbaugh v. Y & H Corp.*, 546 U.S. 500 (2006), which makes plain the error of relying on the type of "drive-by jurisdictional" characterizations contained in those precedents.

By erroneously treating a provision of substantive copyright law as jurisdictional, the Second Circuit's decision defeats the ability of parties to reach negotiated resolutions of their disputes involving unregistered works. That result disserves the purposes of the Copyright Act, which are rooted in a pragmatic commitment to the values of private ordering. Under the decision below, not only have four years of settlement negotiations been wasted, but it is doubtful that any possible settlement can be achieved, given the prevalence of non-registration among freelance authors, the cost and burden of registration for works of such modest economic value, and the publishers' lack of information as to which articles were freelance and how to locate those freelance authors years after their articles were first published. Should that decision stand, the nation's electronic databases and archives will be permanently depleted, a result Congress surely did not intend, and contrary to this Court's expectation that the archives could be restored by "an agreement allowing continued electronic reproduction of the Author's works . . . ." *Tasini*, 533 U.S. at 505.

1. The issues here arise in the wake of *Tasini*, which held that electronic databases and newspaper and

magazine publishers needed consensual licenses from freelance authors (authors who did not create their works as employees) to reproduce and distribute the contents of newspapers and magazines in electronic archives such as LexisNexis. *Tasini* effectively compelled electronic publishers to purge their databases of many hundreds of thousands of newspaper and magazine articles for which written licenses had not been obtained. Obtaining such licenses retrospectively would be an insuperable task, given the sheer number of authors and works involved and the practical difficulties associated with finding the authors and executing individual agreements with each of them.

2. Following the Second Circuit's *Tasini* decision, more than a score of freelance authors, supported by national authors' rights trade organizations, filed lawsuits against online databases and certain publishers, which were consolidated by the Judicial Panel on Multidistrict Litigation. JA iii, 1, 16, 48, 69.

The actions were all properly commenced under the district court's subject matter jurisdiction. The complaints pleaded copyright infringement claims, invoked jurisdiction under 28 U.S.C. §§ 1331 and 1338(a), and pleaded compliance with the register-before-instituting-suit requirement in 17 U.S.C. § 411(a). JA 3-4, 18-24, 27, 34, 49-58, 69-72. The first two underlying complaints made no reference to unregistered works at all. JA 1, 16. The Consolidated Amended Complaint specified, for each of the 21 individual plaintiffs, the titles of each plaintiff's allegedly infringed articles, and copyright registration number information for each work (except for two plaintiffs

whose works are not U.S. works and therefore require no registration certificate under § 411(a)). JA 83-86, 105.[1] Each of the underlying complaints, and the Consolidated Amended Complaint, asserted claims on behalf of a class of freelance authors comprised of many thousands of authors whose freelance works, written for newspapers and magazines, had been or still were available on the defendant databases.

The consolidated action was suspended pending this Court's decision in *Tasini* and reactivated after that decision. JA iii. Because the publishers had licensed their publications to the defendant databases with representations that they had the necessary rights, backed by promises of indemnity, the databases intended to implead many additional publishers. The district court suggested that all parties attempt to mediate the dispute, and they agreed to do so. JA iii, iv. At that early point, and indeed until the court was presented four years later with a motion to certify the settlement class and approve the settlement agreement, the district court had nothing whatever to do with the alleged class claims or any claims involving unregistered works.

Four years of intensive, complex, and costly mediation ensued. *See* Declaration of Kenneth Feinberg, submitted in the District Court (May 16, 2005) (Ct. of Appeals App'x 608-12). The mediation entailed separate yet interdependent sets of negotiations – between freelance author groups, publishers (and their insurers), and the electronic databases (and their insurers) – in order to agree on terms for compensating freelance

[1] For a few works, the plaintiffs noted that registration had been applied for and was pending.

authors, funding that compensation, and restoring the electronic archives that had been purged of the freelance works implicated by *Tasini*.

3. In March 2005, the authors, databases, and nearly 40 publishers reached a comprehensive settlement agreement. To ensure the complete peace that the defendants and publishers required as a condition to settlement, and which is a usual feature of class-action settlements, the defense group gave freelance authors the right to submit claims for compensation for all freelance articles in the databases for which electronic licenses had not been granted in writing, regardless of whether (a) claims on those articles had been previously asserted in the action, (b) there were oral licenses or other available defenses, (c) the articles had ever been accessed, or (d) copyright in the articles had been registered. Every freelance article in the databases was eligible for compensation pursuant to an agreed-on schedule. Up to $18 million was set aside to fund those claims. Authors also were entitled to deny future use of their articles. JA 106, 116-36, 150-51.

In exchange, the authors released the defense group from all past, present, and future claims arising from freelance articles that had been in the databases, regardless of registration. JA 113-14, 139-43. Those releases would effectively permit the restoration of hundreds of thousands of articles that had been previously taken down from the databases, as well as the retention of others that would have been taken down but for the settlement. Without the releases, defendants and the publishers would have been forced to purge all articles possibly written by freelance authors so as to avoid future liability.

4. Ten authors, out of the many thousands in the proposed settlement class, objected to the settlement. No one challenged the court's jurisdiction to approve a settlement compensating unregistered works. After carefully considering the objectors' many contentions at a day-long argument, the district court overruled the objections, certified a settlement class of freelance authors under Rule 23(a) and (b)(3), approved the settlement as fair, reasonable, and adequate under Rule 23(e), and entered final judgment. Pet. App. 48a-58a.

5. The objectors appealed, complaining of various alleged procedural and substantive shortcomings in the settlement agreement, but again not arguing any lack of subject matter jurisdiction to approve the settlement. Shortly before argument, the Second Circuit panel *sua sponte* requested briefing on "whether the district court had subject matter jurisdiction over claims concerning the infringement of unregistered copyrights." Pet. App. 46a-47a. All parties, including the objectors, responded that the district court had jurisdiction to approve the settlement.

In a split decision, the Second Circuit vacated the class certification and approval of the settlement on the ground that the district court lacked jurisdiction over a class consisting of claims arising from the infringement of unregistered copyrights. Pet. App. 5a, 10a.[2] The

[2] The panel's statements that the district court certified "a class consisting of claims" and that the settlement class was *limited* to "claims arising from the infringement of unregistered copyrights" were erroneous. Pet. App. 5a. The district court certified a class of authors whose works had been copied by defendants. JA 153-55. The settlement entitled *all* (cont'd)

Second Circuit held that compliance with the register-before-suit provision of § 411(a) was jurisdictional, relying mainly on unreasoned dicta in two decisions in which it had previously said so and in six comparable decisions from other circuits. In each of those cases, the courts had used "jurisdictional" to mean "important and enforceable," and the same disposition would have been reached had § 411(a) been considered mandatory but not jurisdictional.

Overreading circuit precedent that § 411(a) imposes "a jurisdictional prerequisite to the right of the holder to enforce the copyright in federal court," Pet. App. 19a, the majority held that the registration requirement applied not only to "institut[ing]" suit (the operative verb in § 411(a)) but also to approving a settlement reached by named plaintiffs who complied with the requirement of § 411(a), even though settlement entails no judicial adjudication of claims or grant of copyright remedies for unregistered works. Pet. App. 11a, 20a-24a. Effectively, the Court of Appeals held that the district court lacked jurisdiction to approve any settlement providing any compensation for unregistered works, a holding that presumably applied not only to class members but also to the named plaintiffs. It also held that the district court lacked subject matter jurisdiction to certify a settlement class not limited to registered authors in respect of claims for registered works.

(cont'd)
class-member authors to compensation, not only those who had registered all of their freelance articles claimable under the settlement agreement, but also those who had registered only some of those articles (as was true of the named plaintiffs) or none of them.

The majority rejected the parties' arguments that the plaintiffs complied with § 411(a) and that § 411(a) did not restrict jurisdiction to approve a settlement in a properly instituted case. It held that § 411(a) rigidly "requires that each class member's claim arise from a registered copyright" in order for the district court to approve a settlement agreement providing any relief to the class. Pet. App. 24a. The majority also considered 28 U.S.C. § 1367, holding that it could not be used to avoid § 411(a). Pet. App. 25a-27a.

Judge Walker dissented on the ground that "the fact that some of the otherwise presumably valid copyrights have not been registered is an insufficient basis for undoing this class-action settlement." Pet. App. 28a. He noted that the Second Circuit had "recent[ly held] that not all members of a settlement-only class need to possess a valid cause of action," *id.* (citing *Denney v. Deutsche Bank A.G.*, 443 F.3d 253 (2d Cir. 2006)), and would have held that § 411(a)'s registration requirement is "more akin to a claim-processing rule than a jurisdictional prerequisite" under *Arbaugh*, 546 U.S. 500, *Bowles v. Russell*, 551 U.S. 205 (2007), *Eberhart v. United States*, 546 U.S. 12 (2005) (per curiam), and *Kontrick v. Ryan*, 540 U.S. 443 (2004). Pet. App. 28a-29a. Applying the approach laid out in *Arbaugh*, the dissent looked to statutory language, context and structure, purpose, legislative history, and the fact that § 411(a) is "riddled" with exceptions that belie any legislative intent to render it jurisdictional. Pet. App. 30a-36a.

Judge Walker also distinguished the cases relied on by the majority, noting that they concerned the power to *adjudicate* claims, not the power to *settle* a case

already within the court's subject matter jurisdiction. Pet. App. 42a-45a.

During the claims period, which ended September 30, 2005, thousands of freelance authors submitted detailed claim forms seeking compensation with respect to hundreds of thousands of newspaper and magazine articles. Since the Second Circuit's decision, all claims-administration work ceased and has not resumed, and no authors have been paid.

6. Registration is the process by which the Register of Copyrights is notified of copyright ownership claims. The owner must file an application containing certain basic information about the work at issue along with a fee, and must deposit copies of work with the Copyright Office. 17 U.S.C. §§ 408-09. While registration is not required as a condition of copyright protection, the copyright law seeks to induce it by tying registration to several advantages. Among those inducements, (a) registration establishes a public record of the copyright claim,[3] (b) an application for registration is necessary before a copyright action for infringement of a United States work may be filed in court, 17 U.S.C. § 411(a), (c) if made before or within five years of publication, registration is prima facie evidence of the validity of the copyright and of the facts stated in the certificate, *id.* § 410(c), and (d) registration makes a plaintiff eligible for statutory damages and attorney's

[3] *See* Compendium of the Copyright Office Practices II § 602 ("Compendium II"). Provided for in 37 C.F.R. § 201.1(b)(3) of the Copyright Office Regulations, Compendium II is a manual, initially published in 1978 and updated thereafter, intended primarily for the use of the Copyright Office as a general guide to its examining and related practices.

fees in an infringement action, if made before infringement occurs or within three months after publication, *id.* § 412. Significantly, even if the Register denies the application, the copyright owner may still sue for infringement. *Id.* § 411(a).

Registration applications are reviewed by examiners, who consider the applications and accompanying deposits on their face. If the material reflects copyrightable subject matter and compliance with the formal requirements provided by statute and applicable regulations, the certificate is issued – even if someone else has obtained an existing registration for the same work. If it does not, the examiner will deny the application. In cases of doubt, the application will be granted.[4] The examiners do not resolve factual disputes. Compendium II §§ 108-108.07.

By statute, registration is *not* required for institution of an infringement action in a variety of situations, including:

- if the work in question is not a U.S. work, 17 U.S.C. § 411(a);[5]
- if registration has been denied, *id.*;
- if the claim concerns rights of attribution and integrity under 17 U.S.C. § 106A, *id.*; or

[4] *See* Compendium II §§ 108.09, 605.05. This is known as the "rule of doubt." A specific rule of doubt even permits registration for software deposited in a form wholly unexaminable by the Copyright Office. 37 C.F.R. § 202.20(b)(vii)(B).

[5] U.S. works – broadly speaking, works first published in the United States – are defined in 17 U.S.C. § 101.

- if the work consists of sounds, images, or both, the first fixation of which is made simultaneously with its transmission, *id.* § 411(c).

All of these are express exceptions to the registration requirement.

SUMMARY OF ARGUMENT

As this Court has cautioned, "jurisdiction is a word of many, too many, meanings." *Steel Co. v. Citizens for a Better Env't*, 523 U.S. 83, 90 (1998). The mere fact that a statute imposes a mandatory prerequisite to suit does not mean that it is a jurisdictional requirement, unwaivable and absolute. As this Court has repeatedly held, subject matter jurisdiction must always be distinguished from the elements of a claim for relief. *Arbaugh*, 546 U.S. 500. The Second Circuit failed to heed those teachings, and did not examine this statute from first principles.

A careful analysis of § 411(a) compels the conclusion that registration is a *mandatory* precondition for bringing an infringement action for most works, but not a *jurisdictional* requirement. When Congress seeks to deprive federal courts of jurisdiction to hear cases for which jurisdiction is otherwise broadly granted, it uses the language of jurisdiction. If a statutory requirement does *not* employ such language, it is presumptively not jurisdictional. *Rockwell Int'l Corp. v. United States*, 549 U.S. 457, 468 (2007); *Arbaugh*, 546 U.S. at 515-16. That inference is especially strong where Congress has already provided a general grant of jurisdiction over the type of claim (here, in 28 U.S.C. § 1338), and the condition at issue is contained in an unrelated provision (here, in § 411(a)) that neither expressly restricts

jurisdiction nor refers at all to the general grant. When Congress decides to withdraw jurisdiction, it does not do so by winks and nods.

Even without the presumption that § 411(a) is nonjurisdictional, there is powerful evidence for that conclusion in the specific language of § 411(a) and surrounding provisions. Section 411(a) addresses the obligations of litigants rather than the authority or power of courts, a factor this Court has found persuasive in statutory construction. Other sections of the Copyright Act that cross-reference § 411(a) refer to it exclusively as a mere "requirement," even as they refer elsewhere to the "jurisdiction" of the district court. *Compare* 17 U.S.C. § 501(b), *with id.* § 502(a). And the statute creates exceptions to the register-before-instituting-suit requirement for non-U.S. works and works for which registration is denied, exceptions that are difficult to justify if § 411(a) implicates the authority of a court to adjudicate copyright infringement actions. In fact, registration or its practical equivalent has been a requirement in every copyright act passed for more than 200 years, but none of those acts ever called it jurisdictional. The development of jurisdictional and register-before-suit requirements on different tracks, as well as judicial treatment of registration under early copyright acts, strongly militates against any jurisdictional characterization now.

The Second Circuit disregarded the recent teachings of this Court because it felt constrained to follow its own precedents and like rulings from other circuits that characterized § 411(a) as jurisdictional. In each of those cases, any conclusion about jurisdiction was made in passing language, and any dismissal was

functionally indistinguishable from a decision denying the infringement claim on the merits. None of those courts analyzed the language and structure of the Copyright Act in the way this Court has made clear is necessary.

The Second Circuit also drew erroneous distinctions between § 411(a) and statutes held to enact mandatory but nonjurisdictional requirements. The court thought that § 411(a) must be jurisdictional because it imposed a "condition precedent" to suit. But conditions precedent have repeatedly been held to be non-jurisdictional. *See, e.g., Zipes v. TWA, Inc.*, 455 U.S. 385, 394 (1982); *Sims v. Apfel*, 530 U.S. 103, 106 n.1 (2000). Congress's decision to phrase the registration requirement as a condition before a suit may be brought does not indicate that it intended it to limit the authority of the *court* to hear that suit.

Finally, in vacating the industry-wide settlement agreement that took the parties four years to negotiate, the decision below ignored the language of § 411(a) and legions of decisions holding that courts may both release claims that they lack jurisdiction to adjudicate and approve settlement agreements providing relief that they could not grant. Approval of the settlement agreement here was not an adjudication beyond the district court's subject matter jurisdiction, but merely the ratification of a private agreement between the parties in a case in which jurisdiction is undisputed. Jurisdiction under 28 U.S.C. § 1338 over the § 411(a)-compliant complaint armed the district court with the power to approve the settlement agreement presented to it, even though it could not have adjudicated claims for unregistered works over the defendants' objection.

ARGUMENT

I. THE TEXT, STRUCTURE, HISTORY, AND PURPOSE OF § 411(a) MAKE CLEAR THAT ITS REGISTRATION REQUIREMENT IS MANDATORY BUT NOT JURISDICTIONAL.

As this Court has repeatedly noted, courts addressing statutory threshold conditions for asserting a cause of action have sometimes profligately characterized such conditions as "jurisdictional" as if that term were synonymous with "mandatory" or "important." *See Arbaugh v. Y&H Corp.*, 546 U.S. 500, 511 (2006) (citing 2 J. Moore, Moore's Federal Practice § 12.30[1], at 12-36.1 (3d ed. 2005)). But it is error to conflate those two categories. Jurisdictional requirements speak to the power of the court to decide a case. *See United States v. Cotton*, 535 U.S. 625, 630 (2002); *Henderson v. United States*, 517 U.S. 654, 672 (1996) (defining jurisdiction as the power "to adjudicate the type of controversy involved in the action"); *see also Carlsbad Tech., Inc. v. HIF Bio, Inc.*, 2009 U.S. LEXIS 3304, at *3307 (May 4, 2009) ("defining jurisdiction as the extent to which a court can rule on the conduct of persons or the status of things"). By contrast, mandatory requirements, whether framed as elements, preconditions to a cause of action, or claim-processing rules, focus on what a plaintiff must show to commence or prevail in a case already within the court's jurisdiction. *Arbaugh*, 546 U.S. at 510-16; *Hallstrom v. Tillamook County*, 493 U.S. 20 (1989); *Davis v. Passman*, 442 U.S. 228, 239 n.18 (1979). Decisions have occasionally attached the label "jurisdictional" to ordinary statutory requirements without grappling with the question of whether those requirements were actually meant to limit the court's authority to decide a claim. This Court has

described such decisions as "drive-by jurisdictional rulings" that are entitled to "no precedential effect" on that issue. *Arbaugh*, 546 U.S. at 511 (quoting *Steel Co.*, 523 U.S. at 91).

Classification of a statutory requirement as jurisdictional – as opposed to a mandatory precondition or element or claim-processing rule – is ultimately a matter of legislative intent. *See generally Palmore v. United States*, 411 U.S. 389, 400-01 (1973). In a series of recent opinions, this Court has conducted close statutory examinations to determine whether particular provisions alleged to be jurisdictional are truly so. Among other factors, the Court has considered whether the requirement "speaks in jurisdictional terms" or refers to the jurisdiction of the federal courts, *Arbaugh*, 546 U.S. at 515 (noting that the 15-employee threshold for Title VII claims "appears in a separate provision that 'does not speak in jurisdictional terms or refer in any way to the jurisdiction of the district courts'") (quoting *Zipes*, 455 U.S. at 394); whether legislative history reveals a congressional purpose to make the requirement jurisdictional, *Rockwell*, 549 U.S. at 468 (noting that a statute whose purpose was to establish the elements of an offense was not jurisdictional "merely because [it] was phrased as providing for 'jurisdiction' over such suits"), *Scarborough v. Principi*, 541 U.S. 401, 414 (2004) (holding that a statute whose purpose was to regulate "proceedings auxiliary to cases already within th[e] court's adjudicatory authority" was not jurisdictional), *Zipes*, 455 U.S. at 394-95 (holding that a statute whose purpose was to provide an extended "time limitation so as to give the aggrieved person the maximum benefit of the law" was not jurisdictional); whether the

requirement is contained in a provision separate and apart from a more general grant of jurisdiction, *Arbaugh*, 546 U.S. at 515, *Hallstrom*, 493 U.S. at 31, *Zipes*, 455 U.S. at 394-95; and whether the statutory purpose underlying the requirement requires that it be deemed unwaivable and made subject to mandatory *sua sponte* review by the district courts – elements traditionally associated with jurisdictional provisions. *Arbaugh*, 546 U.S. at 515.[6]

The rule that has emerged is that statutory requirements that are not expressed in jurisdictional terms are not jurisdictional. This case fits comfortably within that rule. The Second Circuit erred because it felt bound by its own precedents – precedents that typify the "drive-by jurisdictional rulings" criticized by

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[6] While jurisdictional measures are inflexible and necessarily subject to *sua sponte* policing by courts, mandatory (but nonjurisdictional) provisions are also inflexible, and may be subject to policing by the district court or to only limited waiver. *See Day v. McDonough*, 547 U.S. 198 (2006) (courts may police nonjurisdictional filing deadlines that respondents have not raised, or unintelligently waived); *Kontrick v. Ryan*, 540 U.S. 443, 457 n.12 (2004) (suggesting that bankruptcy litigants may not stipulate to the assertion of time-barred claims when those bars are mandatory but not jurisdictional); *Eberhart v. United States*, 546 U.S. 12, 18-19 (2005) (mandatory rules "assure relief to a party properly raising them, but do not compel the same result if the party forfeits them"); *see generally* Scott Dodson, *Mandatory Rules*, 61 Stan. L. Rev. 1 (2008); Scott Dodson, *Appreciating Mandatory Rules: A Reply to Critics*, 102 Nw. U. L. Rev. Colloquy 228 (2008).

this Court – and failed to conduct the searching analysis required by this Court's recent decisions. Every one of the factors on which this Court has relied as a guide to congressional intent militates in favor of the conclusion that registration is not jurisdictional. Indeed, the register-before-suit "requirement" is so riddled with exceptions and qualifications that it is unlikely that Congress would have deemed it jurisdictional. Further, an unbroken historical chain of copyright legislation shows that registration never was, nor is it now, more than a mandatory threshold requirement to a claim for relief.

A. Under The "Bright Line" Test Of *Arbaugh v. Y & H Corp.*, The Registration Requirement Is Not Jurisdictional Because Congress Did Not Call It Jurisdictional.

Four Terms ago, this Court unanimously announced a "readily administrable bright line" test for determining whether a federal statute will be considered jurisdictional. *See Arbaugh*, 546 U.S. at 515. If Congress clearly states that a threshold limitation on the scope of a particular statutory provision is jurisdictional, then it should be treated as jurisdictional. On the other hand, when Congress does not rank a statutory limitation on coverage as jurisdictional, "courts should treat the restriction as nonjurisdictional in character." *Id.* at 516. The merit of this test, the Court stated, is that it provides litigants and lower courts with a straightforward method for categorizing provisions as jurisdictional or merely as mandatory threshold requirements for a claim. *Id.*; *see Rockwell*, 549 U.S. at 468 (when a requirement is jurisdictional, the statutory text should be "clear *ex visceribus verborum*").

In *Arbaugh*, the Court considered whether a provision of Title VII defining a covered employer as a person engaged in commerce who has fifteen or more employees was a jurisdictional prerequisite. In doing so, the Court carefully reviewed the text, structure, and history of the provision in question and Title VII's own jurisdiction-conferring provision. The Court observed that the numerosity requirement did not appear in the federal question jurisdictional statute, 28 U.S.C. § 1331, nor in Title VII's jurisdictional provision, but rather in a separate provision that "'does not speak in jurisdictional terms or refer in any way to the jurisdiction of the district courts.'" *Arbaugh*, 546 U.S. at 515 (quoting *Zipes*, 455 U.S. at 394). Because Congress did not state clearly that the numerosity requirement was meant to be jurisdictional, the Court held it could be only an element of the plaintiff's cause of action.

Under the *Arbaugh* test, the registration requirement of § 411(a) plainly does not qualify as jurisdictional. The provision in the first sentence of § 411(a) for registering before suit does not use the word "jurisdiction," nor does it refer to the power of the court or employ any other term traditionally associated with jurisdiction. Remarkably, the majority below did not even cite *Arbaugh* although it had been decided only the previous year. Under *Arbaugh*, the absence of such language in the registration provision establishes definitively that it does not restrict jurisdiction.

The presence of the word "jurisdiction" in the last sentence of § 411(a) does not alter this conclusion. The second and third sentences were inserted to reverse the rule of *Vacheron & Constantin-Le Coultre Watches, Inc. v. Benrus Watch Co.*, 260 F.2d 637 (2d Cir. 1958)

(L. Hand, J.), in which the Second Circuit held under the 1909 Act that, in situations where the Register refused to issue a registration certificate, a plaintiff could not bring an infringement action until he or she first filed and won a separate action for mandamus against the Register, since the district court had no power to hale the Register into the infringement action and compel him or her to act on the application to register. Because Congress considered the requirement of two suits in two different courts inefficient and unduly burdensome, it added the final sentences of § 411(a) specifically to overrule *Vacheron* when it passed the 1976 Act. *See* 1961 Register's Report Sec. B(1)(e); H.R. Rep. No. 94-1476, at 157 (1976), *reprinted in* 1976 U.S.C.C.A.N. 5659.[7] The text of the third sentence –

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[7] The House Report accompanying the 1976 Act states:

> The second and third sentences of section 411(a) would alter the present law as interpreted in *Vacheron & Constantin-Le Coultre Watches, Inc. v. Benrus Watch Co.*, 260 F.2d 637 (2d Cir. 1958). That case requires an applicant, who has sought registration and has been refused, to bring an action against the Register of Copyrights to compel the issuance of a certificate, before suit can be brought against an infringer. Under section 411, a rejected claimant who has properly applied for registration may maintain an infringement suit if notice of it is served on the Register of Copyrights. The Register is authorized, though not required, to enter the suit within 60 days; the Register would be a party on the issue of registrability only, and a failure by the Register to join the action would "not deprive the court of jurisdiction to determine *that issue*."

H.R. Rep. No. 94-1476, at 157 (emphasis added).

supplemented by the careful legislative explanation – makes plain that the reference to "jurisdiction to determine that issue" refers to the issue of registrability. Nothing in the legislative solution to the *Vacheron* problem, which allowed the infringement suit to proceed and the registrability issue to be resolved even if registration were denied and the Register declined to appear, suggests that the register-before-suit requirement restricts subject matter jurisdiction. Indeed, Congress's addition of the last two sentences of § 411(a) demonstrates its ability to address issues of jurisdiction clearly when it seeks to do so.

Despite the bright-line rule laid down in *Arbaugh*, the majority below reasoned that § 411(a) is not a "claim-processing rule" like Federal Rule of Criminal Procedure 33 and therefore it must be jurisdictional. Pet. App. 17a (citing *Eberhart*, 546 U.S. 12 (per curiam)). That is a false dichotomy, as *Arbaugh* itself teaches. The numerosity requirement of Title VII is also not phrased as a claim-processing rule, and yet *Arbaugh* held that it was not jurisdictional either. 546 U.S. at 516. There is no rule that statutory provisions must be one or the other. *Arbaugh* and *Zipes* make plain that threshold conditions are not jurisdictional unless Congress says they are.

The majority below also believed that § 411(a) must be jurisdictional because it creates a "statutory condition precedent to the suit itself." Pet. App. 17a. That argument is wrong as well. This Court has recognized mandatory prerequisites to suit that are nonjurisdictional. *See, e.g.*, *Zipes*, 455 U.S. at 392-98 (holding that mandatory requirement that Title VII plaintiff file EEOC charge before instituting suit does

not restrict jurisdiction). Indeed, in the case of one statutory prerequisite that this Court held mandatory, it did not even deem it necessary to *reach* the question whether it also was jurisdictional. *See Hallstrom*, 493 U.S. at 30 (requirement that citizen must notify the EPA 60 days before bringing action under the Resource Conservation and Recovery Act).

Contrary to the view of the majority, *see* Pet. App. 18a, nothing in *Bowles v. Russell*, 551 U.S. 205 (2007), suggests otherwise. *Bowles* concerned the time limits for filing a notice of appeal in a civil case set forth in 28 U.S.C. § 2107. In holding those time limits to be jurisdictional, this Court relied explicitly and heavily on the fact that such deadlines had been "treated as jurisdictional in American law for well over a century" *Id.* at 209 n.2. The Court pointedly distinguished *Arbaugh* on the grounds that the threshold requirement at issue there was not a time limit. *Id.* at 211. Like the employee-numerosity requirement in *Arbaugh*, of course, the copyright registration requirement of § 411(a) contains no such time limit.[8]

There is no basis, therefore, to exclude § 41 .) from *Arbaugh*'s core holding. Congress could easily have phrased the registration requirement in jurisdictional terms or otherwise clearly stated that it was a

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[8] Similarly, in *John R. Sand & Gravel Co. v. United States*, 128 S. Ct. 750, 753-54 (2008), the Court relied on more than 100 years of precedent and *stare decisis* to hold that the statute of limitations governing the Court of Federal Claims is not waivable. Unlike in *Arbaugh*, and here, the statute there expressly tied the filing time limit to the jurisdiction of the Court of Federal Claims. *See id.* at 753 (citing 28 U.S.C. § 2501).

jurisdictional requirement. Its failure to do so demonstrates that it intended § 411(a) to be only an element of, or mandatory precondition to, the filing of a copyright infringement claim.

B. According To The Statutory Indicia Recognized By This Court, Registration Is Not Jurisdictional.

1. *Statutory Text and Structure.* The structure of the Copyright Act and the specific language of § 411(a) provide potent evidence that Congress did not intend the registration requirement to be jurisdictional. The general grant of jurisdiction over copyright cases is contained in 28 U.S.C. §§ 1331 and 1338(a), the latter broadly providing original jurisdiction over "any civil action arising under any Act of Congress relating to . . . copyrights." Neither section makes any reference to a registration condition. Symmetrically, the register-before-suit condition in § 411(a) makes no reference to subject matter jurisdiction. The complete disjunction between these two sets of provisions strongly indicates that § 411(a) is a threshold requirement of an infringement action, not a withdrawal of jurisdiction. *See Arbaugh*, 546 U.S. at 515 (noting that the 15-employee threshold of Title VII "appears in a separate provision" from both § 1331 and Title VII's jurisdictional provision); *Verizon Md. Inc. v. PSC of Md.*, 535 U.S. 635, 644 (2002) ("[N]othing in the Act displays any intent to withdraw federal jurisdiction under § 1331; we will not presume that the statute means what it neither says nor fairly implies."); *Yellow Freight Sys., Inc. v. Donnelly*, 494 U.S. 820, 825 (1990) (finding jurisdiction based on the "plain text" of a statutory provision that "affirmatively describes the jurisdiction

of the federal courts" and the absence of any limiting language in that provision).

Zipes is illustrative. There, in holding that a Title VII plaintiff's EEOC filing requirement was not jurisdictional, this Court relied in large part on the fact that the provision granting district courts jurisdiction under Title VII, 42 U.S.C. § 2000e-5(f)(3), is "entirely separate" from and "contains no reference to" the timely-filing requirement, which appeared in 42 U.S.C. § 2000e-5(e). *Id.* at 393-94 & nn.9-10. The latter provision, in turn, "does not speak in jurisdictional terms or refer in any way to the jurisdiction of the district courts." *Id.* at 394. The Court found this significant even though other subsections of § 2000e-5(f) – specifically, subsections § 2000e-5(f)(1) and (2) – also refer to various other aspects of filing EEOC charges. As compared to the proximity between § 2000e-5(f)(3) and § 2000e-5(e), the distance between Title 28 and Title 17 in the United States Code is worlds apart.

When Congress has wanted to restrict grants of jurisdiction contained in Title 28, it has done so expressly. For example, 42 U.S.C. § 405(h) specifically bars the exercise of jurisdiction under 28 U.S.C. §§ 1331 and 1346 over certain claims under the Social Security Act.[9] Some sixty federal statutes withdraw in specified

[9] "No action against the United States, the Commissioner of Social Security, or any officer or employee thereof shall be brought under section 1331 . . . to recover on any claim arising under this title . . . ." 42 U.S.C. § 405(h) (emphasis omitted). When it passed the Copyright Act of 1976, Congress was likely mindful of that provision, as this Court addressed it a year earlier in the highly publicized *Weinberger v. Salfi* decision. (cont'd)

instances the exercise of federal jurisdiction that would otherwise exist under § 1331 or other jurisdictional grants. All of them identify particular matters over which courts will not have jurisdiction.[10]

Section 411(a) looks nothing like any of those statutes. Section 411(a) is patterned not on carve-outs from jurisdictional grants or provisions denying jurisdiction over specified matters, but on statutes specifying limitations periods and exhaustion requirements.[11] Such statutes have repeatedly been held *not* jurisdictional absent special language or circumstances. *Day v. McDonough*, 547 U.S. 198, 205

(cont'd)

422 U.S. 749 (1975). Another example in which Congress expressly limited § 1331 jurisdiction is found in 49 U.S.C. § 10709(c)(2), covering transportation contacts ("This section does not confer original jurisdiction on the district courts of the United States based on section 1331 or 1337 of title 28 . . .").

[10] A representative list of these statutes is set out in Addendum A to this brief.

[11] *See, e.g.*, 19 U.S.C. § 1621 ("Limitation of Actions. *No suit or action* to recover any duty under section 592(d), 593A(d), or any pecuniary penalty or forfeiture of property accruing under the customs laws *shall be instituted* unless such suit or action is commenced within five years after the time when the alleged offense was discovered . . . .") (emphasis added); 43 U.S.C. § 902 ("*no suit or action shall be brought* to cancel or annul the patent or certification for said land until such claim is investigated in said Department of the Interior . . . .") (emphasis added); *see also* 15 U.S.C. § 78i(e) ("*No action shall be maintained* to enforce any liability created under this section, unless brought within one year after the discovery of the facts constituting the violation and within three years after such violation.") (emphasis added); 28 U.S.C. § 1350 note ("*No action shall be maintained* under this section unless it is commenced within 10 years after the cause of action arose.") (emphasis added).

(2006) ("A statute of limitations defense . . . is not 'jurisdictional,' hence courts are under no obligation to raise the time bar *sua sponte*."); *Kontrick*, 540 U.S. at 458.

The plaintiffs' infringement actions were each a "civil action arising under any Act of Congress relating" to copyrights. *See Arbaugh*, 546 U.S. at 516. Section 1338 therefore provided jurisdiction over those actions. It is irrelevant to that jurisdiction that, if the case had not been settled, § 411(a) would have precluded the plaintiffs from litigating any infringement claims for unregistered works. "Jurisdiction is authority to decide the case either way. Unsuccessful as well as successful suits may be brought." *The Fair v. Kohler Die & Specialty*, 228 U.S. 22, 25 (1913); *see Steel Co.*, 523 U.S. at 90-93 (rejecting the argument that the elements of a cause of action must be met in order for jurisdiction to attach); *Lauritzen v. Larsen*, 345 U.S. 571, 574-75 (1953).

Moreover, and tellingly, Congress bundled § 411(a) together with the other two contemporaneous provisions that aim at inducing registration, §§ 410(c) and 412 (discussed at note 17, *infra*, and accompanying text), in Chapter 4 of the 1976 Act (Copyright Notice, Deposit, and Registration). Those two other provisions have not been held and cannot be fairly read to restrict jurisdiction, and their companion should be interpreted in that light.

The statutory text of § 411(a) and related provisions reinforce what the structure shows. That text weighs heavily against any conclusion that Congress intended registration to be jurisdictional, for three reasons.

First, the statutory directive of § 411(a) speaks to the obligations of litigants, not the powers of courts. The provision prescribes the steps that a copyright holder must take before an action for infringement can be "instituted," not limitations on whether a district court can hear the

case. *See also* § 411(b)(3) (referring to registration before suit as an "obligation[] or requirement[]" of the copyright owner). Statutes that speak "to the rights or obligations of the parties" rather than "to the power of the court" are not jurisdictional. *Landgraf v. USI Film Prods.*, 511 U.S. 244, 274 (1994).

Second, the very terms of the registration requirement codified in § 411(a) undercut the notion that the authority of the court is at issue. Under § 411(a), non-U.S. works (generally, works first published abroad) do not need to be registered before an infringement suit may be instituted. Even with regard to U.S. works, a denial of registration suffices, under the second sentence of § 411(a), and § 411 contains other exceptions to the requirement as well. *See* pages 11-12, *supra*. As the dissent below noted, the fact that § 411(a) is "riddled with jurisdictionally recognized exceptions," Pet. App. 35a, makes it highly unlikely that it was intended to be jurisdictional.

Third, the Copyright Act itself distinguishes registration from jurisdictional provisions. Whereas § 502(a) of the Act provides that "[a]ny court having *jurisdiction* of a civil action arising under this title" may grant injunctive relief, its immediate neighbor, § 501(b), provides that the owner of copyright "is entitled, subject to the *requirements* of § 411, to institute an action" for infringement. 17 U.S.C. §§ 501(b), 502(a) (emphasis added). The reference to jurisdiction in § 502(a), but only to registration in § 501(b), suggests that Congress considered them two different subjects altogether.

2. *Legislative History*. The 1976 Copyright Act generated an unusually extensive and lengthy legislative history extending over nearly twenty years. In that entire mass of documentation and reports, there does not appear

to be a single reference to registration as a jurisdictional requirement.[12] If registration were truly jurisdictional, one would have expected the legislative history of this exhaustively studied statute to say so loud and clear.

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[12] The sole exception is contained in Professor Benjamin Kaplan's scholarly study prepared for the Register, which mentioned the district court's initial decision in *Washington Publ'g Co. v. Pearson*, 306 U.S. 30 (1939), dismissing the action on jurisdictional grounds, which it later repudiated on reconsideration, as discussed below at note 15, *infra*. *See* Benjamin Kaplan, The Registration of Copyright, Study No. 17, in Copyright Law Revision Studies Nos. 17-19, prepared for the Subcomm. on Patents, Trademarks, and Copyrights of the Comm. on the Judiciary, 86th Cong., 2d Sess., at 21 (Comm. Print 1960). Professor Kaplan, a noted scholar of copyright and civil procedure, evidently considered the district court's decision on reconsideration correct, *id.* at 21-22, and never again in his study referred to a registration precondition as jurisdictional. Neither did Professor Ralph Brown or any of the other experienced copyright practitioners and academics who read and commented on the Kaplan study. *See id.* at 74 (comments of Professor Brown referring only to "registration as a condition precedent to litigation"); *id.* at 71-73 & 75-80 (comments of others). Nor was "jurisdiction" used in relation to registration-before-suit in the closely related Copyright Revision Study No. 18 regarding the Register's authority to reject registration applications. *See* Caruthers Berger, Authority of the Register of Copyrights to Reject Applications for Registration, Study No. 18, *id.* at 81-105. Indeed, in the official comprehensive index to all 34 Copyright Revision Studies, the word "jurisdiction" is cited only once and never in connection with registration before instituting suit. *See* Copyright Law Revision, Subject Index to Studies 1-34, at 18 (Senate Committee on the Judiciary, US GPO 1961); *see also* Benjamin Kaplan, An Unhurried View of Copyright, 26, 38, 79, 82-83 (1967) (describing the new registration proposal as a "formality," an "inducement," and "a condition of an infringement action," but never referring to it as a restriction of jurisdiction).

The clearest evidence that the framers of the 1976 Act did *not* intend registration to be a jurisdictional requirement is contained in the influential 1961 Report of the Register of Copyrights, one of a series of reports that reviewed the existing provisions of the 1909 Act and suggested changes. In a section entitled "provisions regarding judicial procedures," the Report stated:

> The Copyright Act of 1909 contained several sections dealing with the jurisdiction, venue, and procedures of the courts in copyright cases. In 1948 some of these provisions were repealed since they were covered in the Judicial Code (title 28, United States Code) and in the Federal Rules of Civil Procedure. The three remaining sections, 112-114, concern injunctions and appellate review.

1961 Register's Report, at 135. Significantly, the registration-before-suit provision of the 1909 Act, § 12, was neither repealed in 1948 nor preserved in the three "remaining" sections. Hence, it follows that § 12 was *not* viewed as dealing with jurisdiction, venue, or the procedures of the courts.

The other reports and studies that make up the legislative history of the 1976 Act invariably lacked any reference to jurisdiction in describing the registration-before-suit provision, and never suggested that compliance with the registration requirement qualified the jurisdictional grant in 28 U.S.C. § 1338. They characterized registration as a "prerequisite to an action" or as a condition to suit. *See, e.g.*, H.R. Rep. No. 94-1476, at 150, 157; S. Rep. No. 94-473, at 139, 160 (1976); Kaplan, *supra*, at 64 (identifying various "major issues," none of which suggests that registration had been or should be jurisdictional).

For example, the 1976 House Report, on which this Court has repeatedly relied,[13] says that "copyright registration is not generally mandatory, but is a condition of certain remedies for copyright infringement," and that "section 411(a) restates the present statutory requirement that registration must be made before a suit for copyright infringement is instituted." H.R. Rep. No. 94-1476, at 157. Those characterizations carry no jurisdictional flavor. Having decided that "[c]opyright registration for published works, which is useful and important to users and the public at large, would no longer be compulsory," Congress enacted §§ 410, 411(a) and 412 to "induce[]" registration "in some practical way." *Id.* at 158. Again, there was no suggestion that any of those three provisions was intended to restrict the jurisdiction afforded by §§ 1331 and 1338. *Id.* at 158; S. Rep. No. 94-473, at 139-40.

In the years just prior to and after copyright revision, the standard treatise and the leading casebook on copyright both treated registration as mandatory but without any reference to it being jurisdictional. *See* Melville B. Nimmer, Nimmer on Copyright § 92.1 (1976), at 346 (referring to registration and deposit as "conditions precedent to the right to maintain a copyright action," failure of which is "clearly fatal to plaintiff's claim"). Neither the Treatise nor the two decisions it cited for that proposition characterized the register-before-suit requirement as jurisdictional. Similarly, the 1979 edition of the leading copyright textbook of the era called registration "generally a prerequisite to suit" without any suggestion that the provision is jurisdictional. Alan Latman, The Copyright Law: Howell's Copyright Law Revised and the 1976 Act (5th ed. 1979), at 157.

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[13] *See, e.g., Eldred v. Ashcroft*, 537 U.S. 186, 195 (2003); *Tasini*, 533 U.S. at 493; *Campbell v. Acuff-Rose Music*, 510 U.S. 569, 577 (1994); *Fogerty v. Fantasy, Inc.*, 510 U.S. 517, 523 (1994).

The enactments that followed passage of the 1976 Copyright Act also lack any indication that registration should be treated as jurisdictional. For example, the House Report that accompanied implementation of the Berne Treaty lacked any reference to any jurisdictional character of § 411(a). H.R. Rep. No. 100-609 at 43 (1988), *reprinted in* 1988 U.S.C.C.A.N. 3706. When that statute authorized authors of non-U.S. works to sue without registration, the legislative history indicated that it was done for substantive reasons of copyright policy, not based on an evaluation of which matters are appropriate for federal courts to consider, as would typically underlie decisions to grant or deny subject matter jurisdiction over classes of cases. *See* S. Rep. No. 100-352 at 17-25 (1988), *reprinted in* 1988 U.S.C.C.A.N. 3706; 134 CONG. REC. S14554 (daily ed. Sept. 26, 1988) (Joint Explanatory Statement on Amendment to S.1301).

Similarly, the legislative history of the House of Representatives' failed effort in 1993 to repeal the register-before-suit provision of § 411(a) does not discuss any jurisdictional implications of the proposed repeal. *See, e.g.*, 139 CONG. REC. E 337 (Extension of Remarks, Feb. 16, 1993) (introducing Statement of Rep. Hughes). Finally, the Visual Artists Rights Acts of 1990 (which exempted suits based on moral rights violations from registration require-ments), the Family Entertainment and Copyright Act of 2005 (which allowed suits for non-registered works to proceed if they were "pre-registered"), and the PRO-IP Act (which exempted criminal proceedings from registration requirements) all created exceptions to 411(a) without any references to jurisdiction. *See* Visual Artists Rights Act of 1990, Pub. L. No. 101-650, 104 Stat. 5089 (1990); Family Entertainment and Copyright Act of 2005, Pub. L. No. 109-9, 119 Stat. 218 (2005); Prioritizing Resources and Organization for Intellectual Property Act of 2008, Pub. L. No. 110-403, 122 Stat. 4256 (2008). Nor do the reports from the pertinent House and

Senate Committees direct courts to treat § 411(a) as a restriction on subject matter jurisdiction. *See* H.R. Rep. No. 101-514 (1990), *reprinted in* 1990 U.S.C.C.A.N. 6915; H.R. Rep. No. 110-617 (2008); H.R. Rep. No. 109-33 (2005), *reprinted in* 2005 U.S.C.C.A.N. 220; H.R. Rep. No. 108-700 (2004).[14]

However, when Congress did choose to speak about jurisdiction over copyright claims, it did so explicitly, clearly, and reflecting the view that only Title 28 governed that jurisdiction. In the House Report on the Semiconductor Chip Protection Act of 1984, Pub. L. 980620, 98 Stat. 3347, the Judiciary Committee noted:

> Section 910(b) [now essentially in 17 U.S.C. § 910(b)(1)] permits the owner of the rights in a registered mask work to institute a civil action for infringement, similar to a copyright infringement action. *The jurisdictional and other provisions of the Judicial Code (e.g., 28 U.S.C. § 1338) that apply to copyrights* are intended to apply also to mask work rights.

H.R. Rep. No. 98-781, 98th Cong., 2d Sess., May 15, 1984, at 27 (emphasis added, footnote omitted). If Congress thought that § 910(b), which parallels § 411(a), was also a jurisdictional provision, it surely would have said so.

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[14] There was a passing comment in a House report to H.R. 4279 (2007) that referred to the "jurisdictional and remedial provisions of sections 411 and 412." *See* H.R. Rep. No. 110-617 (2008), at 39. The report did not clarify the sense in which either section was "jurisdictional," nor explain whether it used that term precisely or in the loose fashion reflected in the lower courts' recent case law. In any event, the House bill that the report accompanied was not enacted into law. The Senate passed a distinct bill, S. 3325, lacking any accompanying report, that was enacted into the PRO-IP Act.

3. *Prior Copyright Laws.* Although registration has been an important feature of copyright law since the dawn of the Republic, *see* Act of May 31, 1790, 1 Stat. 124, §§ 2-3, there is virtually no evidence that it was ever considered a jurisdictional requirement. In 1790, the copyright holder was required to register a work before obtaining "the benefit of" the copyright law, *id.*, but legislative and judicial authorities have always described registration as a part of substantive copyright law.

To begin with, Congress has consistently separated successive versions of the registration requirement from grants of subject matter jurisdiction. As the chart appended as Addendum B demonstrates, dating back to the Judiciary Act of 1789, the predecessors of § 1338 have proceeded on a separate track from legislation requiring registration, in two lines of laws enacted at different times. Moreover, since 1948, when the jurisdictional provisions of the copyright act were repealed, the copyright code has contained no jurisdictional provisions for infringement claims. The jurisdictional provision in Title 28 have not referred to the registration prerequisites in Title 17, nor vice-versa. If Congress had ever considered registration to be jurisdictional, it would likely have addressed or referenced that requirement when it revised or codified the jurisdictional statutes.

The separation of jurisdictional enactments from statutory registration prerequisites has been embodied in practical form since 1938 in the model Complaint for Copyright Infringement that this Court has promulgated as an appendix to the Federal Rules of Civil Procedure. *See generally* Form 17, 19 Charles E. Hughes, Federal Practice, Jurisdiction & Procedure 248-

49 (1940); Form 19, 12A Charles A. Wright & Arthur R. Miller et al., Federal Practice & Procedure, App'x D, at 579-80 (2008). Since then – and thus under both the 1909 Act and the 1976 Act – the model jurisdictional allegations have referred not to any registration precondition, but only to the jurisdictional grants of Title 28.

The model copyright infringement complaint was originally promulgated as Form 17 in 1938 when the federal rules were first established, and renumbered as Form 19 in 2007.[15] From 1939 until 2007, Form 17 directed copyright infringement claimants to include in ¶ 1 an "allegation of jurisdiction" (without any reference to registration or other copyright formalities); in ¶¶ 2 and 3, allegations specifying the work infringed and ownership of copyright therein; and in ¶ 4, an allegation of compliance with statutory preconditions including registration (without any reference to jurisdiction or cross-reference to ¶ 1). The updated 2007 form requires a "statement" rather than an "allegation" of jurisdiction, but again it merely directs attention to the general jurisdictional template, and does not link registration to jurisdiction. Evidently, these have always been treated as two separate topics.

Judicial constructions of early copyright acts did not characterize registration as jurisdictional. For example, in this Court's first encounter with the registration requirement, the Court was presented with the

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[15] In all respects material to the present issue, the model complaint is unchanged from 1938, and indeed was wholly unchanged from 1938 until minor revisions and renumbering in 2007. *See, e.g.*, Minutes of the Civil Rules Advisory Committee, Apr. 19-20 (1999).

argument that the complainant was not entitled to proceed with an infringement action because he had not complied with the deposit provisions of the 1790 Act and with the provision of the 1802 Act making deposit a precondition "to the benefit of the act . . . ." *Wheaton v. Peters*, 33 U.S. (8 Pet.) 591, 662-665 (1834). Citing English cases construing similar legislation, the Court concluded that the formalities required were necessary to "the recovery of the penalties provided in the act against those who pirated the work." But far from treating compliance as jurisdictional – a threshold matter for the circuit court to decide – the Court remanded the case with directions to that court to order an issue of facts to be examined and tried by a jury. *Id.* at 668. Factual disputes entrusted to juries are substantive; if the matter went to the jury, jurisdiction was necessarily present. *Arbaugh*, 546 U.S. at 514.

Similarly, in *Washingtonian Publ'g Co. v. Pearson*, 306 U.S. 30, 41 (1939), which concerned § 12 of the 1909 Copyright Act, the direct predecessor of § 411(a), although the district court initially characterized the register-before-suit requirement as jurisdictional, it reversed itself on reconsideration,[16] and none of the subsequent opinions on appeal in the D.C. Circuit and this Court renewed that characterization. Section 12 provided in relevant part that "[n]o action or proceeding

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[16] *See Washingtonian Publ'g. Co. v. Pearson*, Transcript of Record, No. 222 (October Term 1938), at 25 (district court memorandum decision) ("It would seem that the jurisdiction of this court to enforce plaintiff's rights is conferred solely by plaintiff's full compliance with such conditions and formalities."); *see also id.* at 26-27 (reversing that conclusion upon reconsideration). *See* Kaplan, Study No. 17, *supra*, at 21.

shall be maintained for infringement of copyright in any work until the provisions of this Act with respect to the deposit of copies and registration of such work shall have been complied with." *Id.* at 38. The defendant argued, and the Court of Appeals held, that the quoted language doomed the publisher's infringement claim because, not having made a prompt deposit, it had indisputably not complied with the statute.

This Court reversed, holding that failure of compliance with § 12 should be sanctioned in less "drastic" ways, and that Congress had not specified dismissal as an appropriate penalty. As the Court explained:

> Plausible arguments in support of [dismissal] were advanced by the Court of Appeals. We think, however, its adoption would not square with the words actually used in the statute, would cause conflict with its general purpose, and in practice produce unfortunate consequences. We cannot accept it.

Id. at 39.

Far from holding the last sentence of § 12 jurisdictional, the Court held that respecting Congress's work required choosing a construction that provided "adequate" compulsion over one that would have "a more drastic effect [that] would tend to defeat the broad purpose of the enactment." *Id.* Since § 12 yoked deposit and registration together, *Pearson*'s treatment of § 12 is highly instructive, and difficult if not impossible to square with characterizing § 12 as jurisdictional. *Pearson* was fully in accord with the text and legislative history of the 1909 Act, which reflects the understanding

that registration was a mandatory but not jurisdictional condition to the institution of a suit.[17]

The treatment of the register-before-suit provision as mandatory without any suggestion that it might be jurisdictional was not unique to *Pearson*. Notably, in the one decision addressing registration under the 1909 Act that the Congress enacting the 1976 Act surely carefully considered, *see* H.R. Rep. No. 94-1476 at 157, the Second Circuit enforced the register-before-suit requirement without any reference to it being jurisdictional. *See Vacheron*, 260 F.2d at 639-41, discussed at pages 19-21, *supra*.

4. *Purpose.* Like exhaustion requirements, which impose a condition precedent to suit but are not jurisdictional unless Congress so provides, and like the 15-employee hurdle imposed by Title VII as well, § 411(a) serves instrumental purposes that do not implicate the authority or institutional competence of the district court.

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[17] *See* H.R. Rep. No. 7083, 59th Cong., 2d Sess., at 8 (1907) (register-before-suit provision was "[f]or the protection of the public"); *see also* S. Rep. No. 6187, 59th Cong., 2d Sess., at 5 (1907) ("Deposit and registration will still be compulsory; . . . [no] suit for infringement [can] be brought until they are made."). Notably, in pre-1909 Act decisions cited in *Pearson*, English courts explicitly referred to registration as "a condition precedent" to perfecting an infringement claim, and not as a limitation on jurisdiction. *See Pearson*, 306 U.S. at 36 n.2 & 42 (citing *Goubaud v. Wallace* (1877), 36 Law Times (N. S.) 704, 705; *Cate v. Devon & Exeter Constitutional Newspaper Co.* (1889), 60 L. T. 672, 5 T. L. R. 229). The 1909 Congress presumably knew of these decisions—and the 1976 Congress certainly was charged with knowledge of this Court's discussion of them when it crafted § 411(a).

The 1976 Act made registration voluntary, and the register-before-suit provision was one of three provisions of the 1976 Act which aimed at inducing registration "in some practical way."[18] Registration, in turn, serves three core functions: it creates a useful public record for copyright owners and the using public;[19] helps to induce deposits, and thereby to build the Library of Congress's collections;[20] and "simplif[ies] and expedite[s] litigation."[21]

Those instrumental purposes fully warrant treating § 411(a)'s registration precondition as mandatory and strictly enforceable at the front end of litigation (when claims are "institute[d]"). But they do not compel the conclusion that Congress wanted the registration precondition to be jurisdictional as well. The purpose of § 411(a) identified by Congress – to interact with §§ 410 and 412 to induce registration, *which the 1976 Act expressly made optional*, and which is even so riddled

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[18] *See* H.R. Rep. No. 94-1476, at 158. The other two inducements were the availability of prima facie proof of the factual assertions in a registration, if obtained within five years of publication (§ 410(c)), and the availability of enhanced damages and attorneys fees (§ 412). *See id.*; *see also* S. Rep. No. 94-473, at 140; H.R. Rep. 100-609, at 41; S. Rep. No. 100-352, at 19.

[19] "Registration as a prerequisite to suit helps to ensure the existence of a central, public record of copyright claims. This publicly available depository of information is of benefit to both copyright owners and users." H.R. Rep. No. 100-609, at 42.

[20] H.R. Rep. No. 100-609, at 42 ("Registration is an important source of acquisitions for the Library of Congress."); S. Rep. No. 100-352, at 22.

[21] S. Rep. No. 100-352, at 23-24 (brackets in original).

with exceptions[22] – lacks the quality of relentless, unexceptioned mandatoriness that characterizes jurisdictional provisions. The purpose underlying § 411(a) in no way suggests that Congress intended § 411(a) to restrict jurisdiction, or to play a role in the allocation of legal claims among the nation's various courts. *See, e.g.*, *Hallstrom*, 493 U.S. at 31 (concluding that Congress did not clearly intend a notice precondition to be jurisdictional, where "the legislative history indicates an intent to strike a balance between encouraging citizen enforcement of environmental regulations and avoiding burdening the federal courts with excessive numbers of citizen suits"); *Arbaugh*, 546 U.S. at 514-16 (noting, in finding Title VII's employee-numerosity requirement to be mandatory but not jurisdictional, Congress's strong desire and intention to provide a federal forum for the adjudication of employment-discrimination claims); *Zipes*, 455 U.S. at 394 (characterizing as mandatory but not jurisdictional a provision that furthered legislative policies but was not labeled as jurisdictional by Congress).

Under the approach of *Pearson*, enforcing § 411(a) as "mandatory" for the initiation of claims to be adjudicated but not restrictive of settlements better fits the overall legislative purposes than treating it as jurisdictional, which would threaten important copyright law values such as providing effective injunctive relief against serial infringers and allowing private parties to arrange their affairs most efficiently and clarify their rights outside of court. The latter goal is of particular import in a case like this, involving a long,

[22] The exceptions are addressed at pages 11-12, *supra*.

painstaking, and extensively negotiated settlement agreement addressing a large number of low-value works as to which registration is uneconomical and thus highly impractical, and without which hundreds of thousands of works will be permanently depleted from the nation's electronic databases and archives. Interpreting § 411(a)'s registration requirement to frustrate such arrangements would directly undercut the congressional purposes animating that section and the Copyright Act in general and threaten a great "waste of judicial resources" and private ones as well. *Arbaugh*, 546 U.S. at 515.

C. The Circuit Court Decisions Referring To § 411(a)'s Registration Requirement As "Jurisdictional" Have Not Been Predicated On The Careful Analysis Mandated By This Court In *Arbaugh*.

The Second Circuit relied principally on what it termed "widespread agreement" among the circuits that § 411(a) is jurisdictional. Pet. App. 12a-14a. But in every case it cited, the characterization of § 411(a) as "jurisdictional" rested not on any analysis of the kind employed in *Arbaugh* and *Zipes*, but only on rote invocation of the label "jurisdictional" to mean "mandatory," "important," or "enforceable." Such decisions amount to nothing but "drive-by jurisdictional rulings," *Steel Co. v. Citizens for a Better Env't*, 523 U.S. 83, 91 (1998), where courts simply assigned the jurisdictional tag to § 411(a) without due consideration of the contours of the statute and legislative intent – a mistake then carelessly repeated across the circuits. One treatise was correct in calling the decision below "[t]he most extensive look at the jurisdictional nature of

section 411(a)" to date, *see* 5 William F. Patry, Patry on Copyright § 17:78 (2007), but in truth the Second Circuit's analysis resembles Gertrude Stein's Oakland: There's no there there.

In *Morris v. Bus. Concepts, Inc.*, 259 F.3d 65, 68 (2d Cir. 2001), *amended by* 283 F.3d 502 (2d Cir. 2002) -- one of the precedents the majority relied upon – the Second Circuit held that a claim for the infringement of an individual article would not lie where the freelance author alleged infringement of her individual article, but the only registration was obtained by the publisher of the magazine for its collective work, and not by the freelance author for her contribution. Although the court referred to registration as a jurisdictional requirement, it affirmed the grant of the defendant's timely motion to dismiss for the plaintiff's failure to comply with § 411(a), and the same result would have been reached had § 411(a) been called "mandatory" instead of "jurisdictional."[23]

Similarly, in *Well-Made Toy Mfg. Corp. v. Goffa Int'l Corp.*, 354 F.3d 112 (2d Cir. 2003), the Second Circuit affirmed the district court's decision for the defendant after a bench trial, agreeing that the defendant's work did not infringe the plaintiff's smaller doll (in which copyright was registered) but at most only its larger version, claimed to be a derivative work (in which copyright was not registered). While the court noted in dicta that it lacked "subject matter jurisdiction" to consider whether the defendant had infringed the copyright on the unregistered derivative work, the

[23] The affirmance of summary judgment is telling, since if § 411(a) deprived the district court of subject matter jurisdiction the claim should have been dismissed (and the dismissal affirmed) under Rule 12(b)(1) or 12(h)(3), not Rule 56.

holdings of both the district court and the Court of Appeals were on the merits – no infringement of a registered work – and would have been the same had the provision been considered mandatory but not jurisdictional.

The six cases from other circuits that the Second Circuit cited in the instant case are each to the same effect. In some of these cases, the court simply made a fleeting mention of the issue of jurisdiction without ever holding that the district court lacked subject matter jurisdiction. *See, e.g., Xoom, Inc. v. Imageline, Inc.*, 323 F.3d 279, 283 (4th Cir. 2003); *Data Gen. Corp. v. Grumman Sys. Support Corp.*, 36 F.3d 1147, 1163 (1st Cir. 1994). In the other decisions, the courts engaged in none of the analysis of jurisdictional versus mandatory requirements that *Arbaugh* requires, and the characterization of § 411(a) as "jurisdictional" was superfluous since the dispositions would have been the same had the requirement been treated as mandatory. *See, e.g., Positive Black Talk, Inc. v. Cash Money Records, Inc.*, 394 F.3d 357, 365-66 (5th Cir. 2004); *La Resolana Architects v. Clay Realtors Angel Fire*, 416 F.3d 1195, 1200 (10th Cir. 2005); *Murray Hill Publ'ns, Inc. v. ABC Commc'ns, Inc.*, 264 F.3d 622, 632 (6th Cir. 2001); *Brewer-Giorgio v. Producers Video, Inc.*, 216 F.3d 1281, 1285-86 (11th Cir. 2000).

Had these courts hewed to *Arbaugh*'s directive to use the "jurisdictional" label only sparingly, after considered analysis, they would have followed the approach of the Seventh Circuit, which has seen no need to pin a "jurisdictional" label on § 411(a)'s registration requirement, implicitly (and correctly) recognizing that it does not limit the power of the federal courts.

See, e.g., *Gaiman v. McFarlane*, 360 F.3d 644, 655 (7th Cir. 2004) (Posner, J.) (holding that "an application to register must be filed, and either granted or refused, before [a copyright] suit can be brought," without any reference to § 411(a) as jurisdictional); *Pickett v. Prince*, 207 F.3d 402, 404 (7th Cir. 2000) (Posner, J.) (characterizing registration as "a precondition to a suit for copyright infringement" without reference to § 411(a) as jurisdictional); *see also Brooks-Ngwenya v. Indianapolis Pub. Schools*, 2009 U.S. App. LEXIS 8126, at *9 (7th Cir. Apr. 15, 2009) (per curiam) (holding that the notification provision of § 411(a) is mandatory but not jurisdictional).

A review of cases in which a court characterized § 411(a) as jurisdictional reveals only two decisions where the disposition actually turned on whether the requirement was jurisdictional, as distinct from merely mandatory. *See Weitzman v. Microcomputer Res., Inc.*, 542 F.3d 859, 863 (11th Cir. 2008) (holding that because lack of registration was a jurisdictional defect, a declaratory judgment suit seeking to establish no infringement would not lie in federal court and required remand for dismissal); *Techniques, Inc. v. Rohn*, 592 F. Supp. 1195, 1198 (S.D.N.Y. 1984) (remanding removed case to state court where the plaintiff did not allege proper registration and had no other bases for federal jurisdiction). Neither the text of § 411(a) nor its legislative history suggests that Congress intended the requirement of registration to be jurisdictional so as to obtain these results. *See* Points I.A. and I.B., *supra*. Moreover, treating § 411(a) as jurisdictional, as *Weitzman* did, leads to an unpalatable result Congress could never have intended, depriving users of copyrighted works of the benefits of declaratory

judgment actions by enabling copyright owners to block any suit for declaratory relief – for example, by historians or literary critics threatened with an infringement suit for quoting from unpublished letters – by refusing to register the works at issue.

In cases like this, classifying § 411(a) as mandatory but not jurisdictional would preserve judicial power to approve a settlement agreement compensating authors for claims concerning unregistered works by permitting defendants to waive its application at settlement. And as the Second Circuit recognized, deeming § 411(a) jurisdictional threatens the power of courts to grant otherwise appropriate injunctive relief in properly instituted cases. *Compare, e.g., Olan Mills, Inc. v. Linn Photo Co.*, 23 F.3d 1345 (8th Cir. 1994); *A&M Records, Inc. v. A.L.W., Ltd.*, 855 F.2d 368 (7th Cir. 1988); *Nat'l Football League v. McBee & Bruno's, Inc.*, 792 F.2d 726 (8th Cir. 1986); *and Pac. & S. Co. v. Duncan*, 744 F.2d 1490, 1499 n.17 (11th Cir. 1984) (all affirming the grant of otherwise appropriate injunctive relief extending beyond registered works), *with* Pet. App. 15a-16a (casting doubt on power to do so). *See* 2 Melville B. Nimmer & David Nimmer, Nimmer on Copyright ¶ 7.16[C][3] (2008) (in a case instituted in compliance with § 411(a), a court "may order remedies such as seizure or injunction as permitted by statute, without reference to whether the precise items seized or enjoined are covered by a registration certificate"); 2 Paul Goldstein, Goldstein on Copyright § 11.2.1.2 (2002).

II. EVEN IF § 411(a) RESTRICTS SUBJECT MATTER JURISDICTION, THAT RESTRICTION APPLIES ONLY TO INSTITUTING ACTIONS, NOT SETTLING THEM.

Even if § 411(a) restricts jurisdiction in some regard, it does not follow that every action carried out by a court that concerns an unregistered work lies beyond its authority. Here, it is undisputed that the district court had original jurisdiction over the plaintiffs' actions when they were instituted in 2000, because each plaintiff alleged that he or she had registered the work in question. That jurisdiction did not evaporate merely because, five years later, the parties reached an agreement that would settle a larger class of claims. By its terms, and consistent with long-established authority, § 411(a) does not purport to limit the district court's authority to approve a settlement agreement that releases claims concerning unregistered works. Thus, even if § 411(a) were held to withdraw some measure of subject matter jurisdiction, the Second Circuit still erred in concluding that the settlement agreement could not be approved.

A. The Statutory Text Focuses On "Institut[ing]" Actions, Not Settling Them.

Section 411(a) directs claimants not to "institute" any "action for infringement of the copyright in any United States work . . . until . . . registration of the copyright claim has been made in accordance with" the Copyright Act. Filing a complaint, not certifying a class for settlement, is the "institution" of a lawsuit. *See, e.g.*, *Herman & MacLean v. Huddleston*, 459 U.S. 375, 378 (1983). There is particularly good reason to attend to the statutory verb here, because Congress used it three

times to describe the types of actions for which registration was a precondition. *See* 17 U.S.C. §§ 411(a), 501(b), and former § 205(d), repealed by the Berne Convention Implementation Act of 1988.[24] Indeed, after the Register completed his long and careful study underlying copyright revision, the new law replaced the 1909 Act's "no action . . . shall be maintained" without registration with "no action . . . shall be *instituted*." Applying § 411(a) far beyond what the text warrants – as a limitation not only on the institution of suit and presentation of claims for adjudication but also on the permissible scope of settlement – conflicts with the caution that "[w]e must not give jurisdictional statutes a more expansive interpretation than their text warrants." *Exxon Mobil Corp. v. Allapattah Servs.*, 545 U.S. 546, 558 (2005) (proper focus in subject matter jurisdictional inquiry is whether "the action is one in which the district courts would have original jurisdiction," not whether each putative class member could herself have been a plaintiff at the time of class certification).

Similarly, courts have consistently construed the plain language of § 411(a), which is focused on the institution of claims for adjudication, as not barring otherwise appropriate injunctive relief regarding future or unregistered works, in cases instituted in compliance with § 411(a). *See* the authorities cited at page 44, *supra*.

The plaintiffs complied with § 411(a) when they filed their infringement actions. Every named plaintiff who was required to register a work did so before filing the

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[24] Former § 205(d) expressly required recordation of a copyright transferee's chain of title as a "prerequisite to [an] infringement suit." No appellate court ever held it jurisdictional.

action. While the plaintiffs alleged class claims as well, those claims were never litigated, much less adjudicated.[25] Indeed, the court had no involvement in those claims whatsoever until five years later, when the plaintiffs moved to approve the settlement agreement whereby the defendants agreed to provide relief to the proposed class in exchange for broad releases.

Section 411(a) directs attention to the "institution" of infringement actions. Fairly read in light of its purpose, it necessarily (to avoid end runs) prohibits the presentation of claims for the adjudication of infringement of unregistered works, whether at the initiation of the case or later, such as by amendment. But nothing in the statutory language suggests that Congress meant to strip a court of jurisdiction to settle a properly instituted case in which the court never exercised power to adjudicate a claim or to grant copyright remedies for an unregistered work. Treating § 411(a) as doing so is inconsistent with the rule that congressionally granted subject matter jurisdiction generally depends on the circumstances at filing and not on post-filing developments. *See, e.g., Carlsbad Tech., Inc. v. HIF Bio, Inc.*, 2009 U.S. LEXIS 3304, at *10 (May 4, 2009); *Grupo Dataflux v. Atlas Global Group, L.P.*, 541 U.S. 567, 571 (2004).

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[25] The presence of those class claims in the complaints does not mean that the district court lacked original jurisdiction. The class claims lay dormant until the plaintiffs sought to certify the class for settlement. Indeed, the plaintiffs could have taken that latter step even if they had never mentioned the class in their complaints at the outset.

B. As A General Rule, Jurisdiction Over An Action Extends To Approving Settlements That Release Claims the Court Lacked Authority To Try.

This construction of § 411(a) is reinforced by the general rule that courts may approve settlements that release claims they could not have tried for want of jurisdiction. As this Court has held, when a party seeks to settle a case, the settlement agreement may encompass additional parties, claims, or modes of relief beyond those to which the district court's original authority extended. *See, e.g., Lexecon Inc. v. Milberg Weiss Bershad Hynes & Lerach*, 523 U.S. 26, 29 (1998) (holding that transferee courts lack jurisdiction to try transferred cases, but noting no objection to a transferee court's settlement of a case it lacked power to try); *Matsushita Elec. Indus. Co. v. Epstein*, 516 U.S. 367, 374-75 (1996) (giving full faith and credit to settlement in state court that released claims subject to exclusive federal jurisdiction).[26] As one leading commentator has explained, this line of cases demonstrates that through the "alchemy of settlement,"

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[26] *See also Wal-Mart Stores, Inc. v. Visa U.S.A., Inc.*, 396 F.3d 96, 108-09 (2d Cir. 2005) (court had jurisdiction to approve settlement benefiting persons who asserted no claims and were thereby outside court's jurisdiction); *In re Prudential Ins. Co. of Am. Sales Practice Litig.*, 261 F.3d 355, 366 (3d Cir. 2001) (courts without jurisdiction to try claims may have jurisdiction to release them); *Grimes v. Vitalink Commc'ns Corp.*, 17 F.3d 1553, 1563 (3d Cir. 1994) (same); *Class Plaintiffs v. City of Seattle*, 955 F.2d 1268, 1287 (9th Cir. 1992) (same); *Nottingham Partners v. Trans-Lux Corp.*, 925 F.2d 29, 33-34 (1st Cir. 1991) (same); *In re Corrugated Container Antitrust Litig.*, 643 F.2d 195, 221 (5th Cir. 1981) (same).

a court can dispose of claims it could not adjudicate. Judith Resnik, *Procedure as Contract*, 80 Notre Dame L. Rev. 598, 628 (2005).

The distinction between jurisdiction to adjudicate and ancillary settlement authority was decisive in *Local No. 93, Int'l Ass'n of Firefighters v. City of Cleveland*, 478 U.S. 501, 522-23 (1986). Even though Congress denied the district court power to grant certain relief, this Court held that the district court nonetheless had inherent Article III power to approve a consent decree providing relief that it could not itself have awarded. Doing so violated no statute because it was the parties' agreement, not the court's adjudication, that produced the agreed-upon terms. *Id.*; *see also id.* at 526 ("the court is not barred from entering a consent decree merely because it might lack authority . . . to do so after a trial"); *Scarborough*, 541 U.S. at 413 (issue concerning judicial power in connection with attorneys fees did "not concern the federal courts' 'subject-matter jurisdiction' . . . [but] a mode of relief . . . ancillary to the judgment of a court that has plenary 'jurisdiction'" of the civil action in the first place). That principle applies with full force here.

In the case of class actions in particular, because of the strong public policy favoring "comprehensive settlement," courts have the power to approve settlements releasing claims that they had no jurisdiction to adjudicate. *TBK Partners Ltd. v. Western Union Corp.*, 675 F.2d 456, 460 (2d Cir. 1982). *Matsushita* and the cases that precede and follow it consider the power of courts to approve settlements "broadly [under] the law of 'releases' rather than narrowly [as an] issue of

federal court jurisdiction." *Williams v. GE Capital Auto Lease*, 159 F.3d 266, 268-69, 273-74 (7th Cir. 1998) (treating members of a settlement class as beneficiaries of the parties' settlement agreement, rather than as parties themselves).

Nor did the Second Circuit's reliance on *Weinberger v. Salfi*, 422 U.S. 749 (1975), and *Califano v. Yamaski*, 424 U.S. 682 (1979) (Pet. App. 20a-24a), justify ignoring *Matsushita* and *Firefighters* on the theory that each claim within a class must satisfy every jurisdictional requirement. Those decisions rested on the text of 42 U.S.C. § 405(g) and (h) and the special concerns implicated in suits against the government. Absent those factors, the rule is otherwise. This Court in *Exxon*, 545 U.S. at 548, made plain that there is no constitutionally compelled general rule that a class may not include members who have standing but could not themselves be named plaintiffs. Unsurprisingly, *Zipes* expressly held that the district court, which granted injunctive relief extending beyond the named plaintiffs to class members who had not filed with the EEOC, "did have jurisdiction over nonfiling class members." 455 U.S. at 399. *See also Franks v. Bowman Transp. Co.*, 424 U.S. 747, 771 (1976) (reversing refusal to adjudicate claims of and denial of relief to Title VII class members who had not themselves filed EEOC charges); *Albemarle Paper Co. v. Moody*, 422 U.S. 405, 414 n.8 (1975) (same).

The case for treating a restriction on jurisdiction as not precluding settlement power over a properly instituted action within the court's existing jurisdiction is considerably stronger here than in usual cases under

the *Matsushita* line. Here, Congress has granted, not forbidden, federal jurisdiction over copyright cases – indeed, it has done so since 1789, and expressly since 1819. *See* Point I.B, *supra*. By contrast, the state court in *Matsushita* could *never* have adjudicated the federal securities act cases, and yet this Court granted full faith and credit to its resolution of those federal claims by approving a settlement agreement containing broad releases over which it lacked any jurisdiction. *A fortiori*, upholding settlement power here does not disrespect the precondition to suit Congress imposed.

This Court decided seventy years ago that registration-before-suit should have a practical, not an overly strict or formalistic, construction. *Pearson*, 306 U.S. at 41. *Pearson*'s holding that respecting Congress's work required choosing a construction that provided "adequate" compulsion over one that would have "a more drastic effect [that] would tend to defeat the broad purpose of the enactment," *id.*, should be followed here. The Second Circuit's result does not square with the words of the statute; it conflicts with the authorial rights and interests at stake, whose vindication this Court sought to permit in *Tasini*; and it has unfortunate consequences for freelance authors, publishers, and overstretched federal courts.

CONCLUSION

For all the foregoing reasons, the judgment below should be vacated and the case remanded for further consideration of the objectors' appeal from the district court's final judgment approving the settlement agreement.

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APPENDIX

Addendum A
Statutes Expressly Limiting the Jurisdiction of Federal Courts

Title 2: Congress
Congressional mailing standards, 2 U.S.C. § 501(e), 502(c)

> Notwithstanding any other provision of law, no court or administrative body in the United States or in any territory thereof shall have jurisdiction to entertain any civil action of any character concerning or related to a violation of the franking laws . . . .

Title 7: Agriculture
Stay of proceedings and exclusive jurisdiction (Agricultural Adjustment Act of 1938), 7 U.S.C. § 1367

> No court of the United States or of any State shall have jurisdiction to pass upon the legal validity of any such determination except in a proceeding under this Part.

Title 8: Aliens and Nationality
Authority to apply for asylum, 8 U.S.C. § 1158(a)(3)

> Limitation on judicial review. No court shall have jurisdiction to review any determination of the Attorney General under paragraph (2).

Addendum A

Admission qualifications for aliens (aliens previously removed), 8 U.S.C. § 1182(a)(9)(B)(v)

> No court shall have jurisdiction to review a decision or action by the Attorney General regarding a waiver under this clause.

Admission qualifications for aliens (waiver for marijuana possession), 8 U.S.C. § 1182(h)

> No court shall have jurisdiction to review a decision of the Attorney General to grant or deny a waiver under this subsection.

Admission qualifications for aliens (immigrant inadmissible for fraud or willful misrepresentation of material fact), 8 U.S.C. § 1182(i)(2)

> No court shall have jurisdiction to review a decision or action of the Attorney General regarding a waiver under paragraph (1).

Visa waiver program for certain visitors, 8 U.S.C. § 1187(c)(6)

> No court shall have jurisdiction under this paragraph to review any visa refusal, the denial of admission to the United States of any alien by the Attorney General, the Secretary's computation of the visa refusal rate, or the designation or nondesignation of any country.

Addendum A

Visa application sole method to dispute denial of waiver, 8 U.S.C. § 1187(g)

> There shall be no other means of administrative or judicial review of such a denial, and no court or person otherwise shall have jurisdiction to consider any claim attacking the validity of such a denial.

Deportable aliens (waiver for document fraud), 8 U.S.C. § 1227(a)(3)(C)(ii)

> No court shall have jurisdiction to review a decision of the Attorney General to grant or deny a waiver under this clause.

Voluntary departure, 8 U.S.C. § 1229c(f)

> No court shall have jurisdiction over an appeal from denial of a request for an order of voluntary departure . . . .

Judicial review of orders of removal, 8 U.S.C. § 1252(a)(2)(A)

> Notwithstanding any other provision of law (statutory or nonstatutory), including section 2241 of title 28, United States Code, or any other habeas corpus provision, and sections 1361 and 1651 of such, no court shall have jurisdiction to review . . . .

Addendum A

Judicial review of orders of removal, 8 U.S.C. §§ 1252(a)(2)(B), (a)(2)(C), (b)(9), (g)

> Notwithstanding any other provision of law . . . no court shall have jurisdiction to review any final order of removal . . . .

Adjustment of status (judicial review), 8 U.S.C. § 1255a(f)(4)(C)

> Notwithstanding any other provision of law, no court shall have jurisdiction of any cause of action or claim by or on behalf of any person asserting an interest under this section . . . .

Title 12: Banks and Banking
Regulation of holding companies (cease and desist orders), 12 U.S.C. § 1467a(g)(5)(B)

> Except as provided in subsection (j), no court shall have jurisdiction to affect by injunction or otherwise the issuance or enforcement of any notice or order under this section, or to review, modify, suspend, terminate, or set aside any such notice or order.

Termination of insured credit union status, 12 U.S.C. § 1786(k)(1)

> However, except as otherwise provided in this section or section 216, no court shall have jurisdiction to affect by injunction or

> otherwise the issuance or enforcement of any notice or order under this section or section 216 or to review, modify, suspend, terminate, or set aside any such notice or order.

Payment of insurance (powers and duties of National Credit Union Administration Board as conservator or liquidating agent), 12 U.S.C. § 1787(b)(13)(D)

> Limitation on judicial review. Except as otherwise provided in this subsection, no court shall have jurisdiction over . . . .

Termination of status as insured depository institution, 12 U.S.C. § 1818(i)(1)

> . . . except as otherwise provided in this section or under section 38 or 39, no court shall have jurisdiction to affect by injunction or otherwise the issuance or enforcement of any notice or order under any such section, or to review, modify, suspend, terminate, or set aside any such notice or order.

Insurance Funds (powers and duties of FDIC as conservator or receiver), 12 U.S.C. § 1821(d)(13)(D)

> Limitation on judicial review. Except as otherwise provided in this subsection, no court shall have jurisdiction over . . . .

Addendum A

Federal Reserve Board termination of activities or ownership or control of nonbank subsidiaries constituting serious risk (administration), 12 U.S.C. § 1844(e)(2)

> . . . . except as provided in section 9 of this Act, no court shall have jurisdiction to affect by injunction or otherwise the issuance or enforcement of any notice or order under this section, or to review, modify, suspend, terminate, or set aside any such notice or order.

Farm Credit Administration, 12 U.S.C. § 2267

> Jurisdiction and enforcement . . . . except as otherwise provided in this part . . . no court shall have jurisdiction to affect by injunction or otherwise the issuance or enforcement of any notice or order under this part . . . .

Actions against persons committing bank fraud crimes/declarations providing new claims to the United States (nonreviewability of action by the Attorney General), 12 U.S.C. § 4208

> Notwithstanding any other law, no court shall have jurisdiction over any claim based on any action taken by the Attorney General or any refusal to take action under this chapter, except for failure to provide notification under section 2566.

Addendum A

Actions against persons committing bank fraud crimes (declarations providing United States with new information concerning recovery of assets), 12 U.S.C. § 4228

> Notwithstanding any other law, no court shall have jurisdiction over any claim based on any action taken by the Attorney General or any refusal to take action under this chapter . . . .

Proceedings based on private declarations against persons committing bank fraud crimes (Declarant's notification to Attorney General to pursue action through private contractor), 12 U.S.C. § 4242

> Notwithstanding any other law, no court shall have jurisdiction over any claim based on the Attorney General's decision to refuse to enter into a contract . . . .

Supervision and regulation (government-sponsored enterprises), 12 U.S.C. § 4584(b)

> Limitation on jurisdiction. Except as otherwise provided in this subpart, no court shall have jurisdiction to affect . . . .

Addendum A

Judicial review of director action (government-sponsored enterprises), 12 U.S.C. § 4623(d)

> Except as provided in this section, no court shall have jurisdiction to affect, by injunction or otherwise, the issuance or effectiveness of any classification or action of the Director under this subtitle.

Enforcement and jurisdiction of any effective and outstanding notice or order (government-sponsored enterprises), 12 U.S.C. § 4635(b)

> Except as otherwise provided in this subtitle and sections 1369 and 1369D, no court shall have jurisdiction to affect, by injunction or otherwise, the issuance or enforcement of any notice or order under section . . . .

Title 15: Commerce and Trade
Emergency conversion of utilities and other facilities (natural gas), 15 U.S.C. § 717z(g)(1)

> Except as provided in paragraph (2), no court shall have jurisdiction to grant any injunctive relief to stay or defer the implementation of any order issued under this section unless such relief is in connection with a final judgment entered with respect to such order.

Addendum A

Alaska natural gas transportation (actions of federal officers or agencies), 15 U.S.C. § 719h(c)

> Jurisdiction. . . . no other court . . . shall have jurisdiction of any such claim in any proceeding instituted prior to or on or after the date of enactment of this Act . . . .

Automotive propulsion research & development (program provisions and requirements), 15 U.S.C. § 2703(f)(3)

> . . . . no court shall have any jurisdiction to review the preparation or adequacy of such certifications . . . .

Retail policies for natural gas utilities, 15 U.S.C. § 3207(a)(1)

> (a) Limitation of Federal jurisdiction . . . . (1) Notwithstanding any other provision of law, no court of the United States shall have jurisdiction over any action arising under any provision of this title . . . except for . . . .

Natural gas policy administration (enforcement and review), 15 U.S.C. § 3416(c)

> Judicial review of emergency orders . . . . Prior to a final judgment, no court shall have jurisdiction to grant any injunctive relief to stay or defer the implementtation of any order . . . .

Addendum A

Duties of Secretary of Energy (methane transportation research, development, and administration), 15 U.S.C. § 3803(d)(3)

> . . . no court shall have any jurisdiction to review the preparation or adequacy of such certifications . . . .

Title 16: Conservation
Power regulation of electric utility companies (orders requiring interconnection or wheeling), 16 U.S.C. § 824k(f)(3)

> Except for review by such court (and any appeal or other review by an appellate court of the United States), no court shall have jurisdiction to consider any action brought by any person to enjoin the carrying out of any order of the Commission . . . .

Public utility regulatory policies (judicial review and enforcement), 16 U.S.C. § 2633(a)

> (a) Limitation of Federal jurisdiction. Notwithstanding any other provision of law, no court of the United States shall have jurisdiction over any action arising under any provision of subtitle A or B or of this subtitle except . . . .

Addendum A

Alaska national interest lands conservation (transportation), 16 U.S.C. § 3168

> No court shall have jurisdiction to grant any injunctive relief lasting longer than ninety days against any action pursuant to this except . . . .

Title 19: Customs Duties

Review of countervailing duty/antidumping duty determinations involving free trade area country merchandise (NAFTA bi-national panel review), 19 U.S.C. § 1516a(g)(2)(B)

> . . . no court of the United States has power or jurisdiction to review the determination on any question of law or fact by an action in the nature of mandamus or otherwise.

Liquidation of entries (NAFTA bi-national panel review), 19 U.S.C. § 1516a(g)(5)(C)(iv)

> . . . no court of the United States shall have power or jurisdiction to review such action on any question of law or fact by an action in the nature of mandamus or otherwise.

Addendum A

Implementation of international obligations under article 1904 of the NAFTA or the Agreement (NAFTA bi-national panel review), 19 U.S.C. § 1516a(g)(7)(A)

> Any action taken by the administering authority or the Commission under this paragraph shall not be subject to judicial review, and no court of the United States shall have power or jurisdiction to review such action on any question of law or fact by an action in the nature of mandamus or otherwise.

Disclosure of proprietary information under protective orders issued pursuant to NAFTA or the United States-Canada Agreement, 19 U.S.C. § 1677f(f)(1)(C)

> A decision concerning the disclosure or nondisclosure of material under protective order . . . shall not be subject to judicial review, and no court of the United States shall have power or jurisdiction to review such decision . . . .

Addendum A

Title 22: Foreign Relations and Intercourse
Targeted responses to violations of religious freedoms abroad (preclusion of judicial review), 22 U.S.C. § 6450

> No court shall have jurisdiction to review any Presidential determination or agency action under this Act or any amendment made by this Act.

Title 25: Indians
Mohican Nation (Connecticut) Land Claims Settlement, 25 U.S.C. § 1775h(b)

> . . . no court shall have jurisdiction over any action to contest the constitutionality of this Act or the validity of any agreement entered into under the authority of this Act or approved by this Act, unless such action was filed prior to the date of termination of the period specified in subsection (a).

Title 26: Internal Revenue Code
Review of assessments and collections, 26 U.S.C. § 6305(b)

> No court of the United States, whether established under article I or article III of the Constitution, shall have jurisdiction of any action, whether legal or equitable, brought to restrain or review the assessment and collection of amounts by the Secretary . . . .

Addendum A

Review of reductions, 26 U.S.C. § 6402(g)

> No court of the United States shall have jurisdiction to hear any action, whether legal or equitable, brought to restrain or review a reduction authorized by . . . .

Title 29: Labor
Issuance of restraining orders and injunctions, 29 U.S.C. § 101

> No court of the United States, as herein defined, shall have jurisdiction to issue any restraining order or temporary or permanent injunction in a case involving or growing out of a labor dispute, except in a strict conformity with the provisions of this Act . . . .

Enumeration of specific acts not subject to restraining orders or injunctions, 29 U.S.C. § 104

> No court of the United States shall have jurisdiction to issue any restraining order or temporary or permanent injunction in any case involving or growing out of any labor dispute . . . .

Addendum A

Doing in concert of certain acts as constituting unlawful combination or conspiracy subjecting person to injunctive remedies, 29 U.S.C. § 105

> No court of the United States shall have jurisdiction to issue a restraining order or temporary or permanent injunction upon the ground . . . .

Issuance of injunctions in labor disputes, 29 U.S.C. § 107

> No court of the United States shall have jurisdiction to issue a temporary or permanent injunction in any case involving or growing out of a labor dispute, as herein defined, except after . . . .

Relief from certain existing claims under the Fair Labor Standards Act of 1938, 29 U.S.C. § 252(d)

No court of the United States, of any State, Territory, or possession of the United States, or of the District of Columbia, shall have jurisdiction of any action or proceeding, whether instituted prior to or on or after the date of the enactment of this Act [enacted May 14, 1947], to enforce . . . .

Addendum A

Title 31: Money and Finance
Civil actions for false claims, 31 U.S.C. § 3730(e)(1), 31 U.S.C. § 3730(e)(2)(A), and 31 U.S.C. § 3730(e)(4)(A),

> No court shall have jurisdiction over an action
> . . . .

Title 42: Public Health and Welfare
Determination of eligibility and benefits (smallpox emergency personnel protection), 42 U.S.C. § 239a(f)(2)

> Judicial and administrative review. No court of the United States, or of any State, District, territory or possession thereof, shall have subject matter jurisdiction to review, whether by mandamus or otherwise, any action by the Secretary under this section.

Evidence and procedure for establishment of benefits (Social Security Act), 42 U.S.C. § 405(h)

> No action against the United States, the Commissioner of Social Security, or any officer or employee thereof shall be brought under section 1331 or 1346 of title 28, United States Code, to recover on any claim arising under this title . . . .

Addendum A

Enforcement proceedings (voting rights), 42 U.S.C. § 1973l(b)

> Jurisdiction of courts for declaratory judgment, restraining orders, or temporary or permanent injunction. No court other than the District Court for the District of Columbia . . . shall have jurisdiction to issue any declaratory judgment pursuant to . . . this title.

Review of Nuclear Proliferation Assessment Statements, 42 U.S.C. § 2160a

> No court or regulatory body shall have any jurisdiction under any law to compel the performance of or to review the adequacy of the performance of any Nuclear Proliferation Assessment Statement . . . .

Patents and inventions (atomic energy), 42 U.S.C. § 2184

> No court shall have jurisdiction or power to stay, restrain, or otherwise enjoin the use of any invention or discovery by a patent licensee . . . .

Addendum A

Hazardous substances releases, liability, compensation, 42 U.S.C. § 9622(e)(3)(C)

> [N]o court shall have jurisdiction to review the nonbinding preliminary allocation of responsibility. . . .

Title 43: Public Lands
Crude oil transportation systems (judicial review), 43 U.S.C. § 2011(c)

> Notwithstanding the amount in controversy, such court shall have jurisdiction to determine such proceeding in accordance with the procedures hereinafter provided and to provide appropriate relief.

Title 49: Transportation
Contracts, 49 U.S.C. § 10709(c)(2)

> This section does not confer original jurisdiction on the district courts of the United States based on section 1331 or 1337 of title 28 . . . .

Addendum A

Title 50: War and National Defense
Information rewards (atomic weapons and special nuclear materials), 50 U.S.C. § 47d(b)

> A determination made by the Attorney General under section 3 of this Act shall be final and conclusive and no court shall have power or jurisdiction to review it.

Addendum B
Separate Lineage of Statutes Requiring Registration and Granting Jurisdiction

Predecessors of 17 U.S.C. § 411(a)

1790 Act
(1 Stat. 124)

§ 2: "[I]f any other person or persons, *from and after the recording the title* of any map, chart, book or books . . . shall print [that work without the author's consent, they are subject to suit by the author in an] action of debt in any court of record in the United States, wherein the same is cognizable."

§ 3: "[N]o person shall be entitled to the benefit of this act . . . unless he shall before publication deposit a printed copy of the title in the clerk's office of the district court. . . ."

Predecessors of 28 U.S.C. § 1338

1789 Judiciary Act
(1 Stat. 73)

§ 11: "*Circuit courts shall have original cognizance*, concurrent with the courts of the several States, of all suits of a civil nature at common law or in equity, where the matter in dispute exceeds, exclusive of costs, the sum or value of five hundred dollars and the United States are plaintiffs, or petitioners; or an alien is a party, or the suit is between a citizen of the State where the suit is brought, and a citizen of another State."

Addendum B

Predecessors of
17 U.S.C. § 411(a), cont.

1802 Amendment
(2 Stat. 171)

§§ 1-2: [Refers to 1790 title deposit provision as one of the "requisites" of the Copyright Act.]

§ 3: "[I]f any print-seller . . . shall engrave [a protected work] without the consent of the proprietor . . . [he] shall forfeit one dollar for every print . . . to be recovered in any court having competent jurisdiction thereof."

Addendum B

Predecessors of 17 U.S.C. § 411(a), cont.

1831 Act
(4 Stat. 36)

§ 4: "No person shall be entitled to the benefit of this act, unless he shall, before publication, deposit a printed copy of the title of such book. . . ."

§ 6: "That if any other person or persons, *from and after the recording the title* of any book... [shall print that book without the copyright owner's consent, they can be sued] by action of debt in any court having competent jurisdiction thereof."

Predecessors of 28 U.S.C. § 1338, cont.

1819 Act to Extend the Jurisdiction of the Circuit Courts
(3 Stat. 481)

"*[C]ircuit courts of the United States shall have original cognisance, as well in equity as at law* of all actions of all actions, suits, controversies, and cases, arising under any law of the United States, granting or confirming to authors or inventors the exclusive right to their respective writings, inventions, and discoveries."

Addendum B

Predecessors of
17 U.S.C. § 411(a), cont.

1870 Act
(16 Stat. 212)

§ 90: "[N]o person shall be entitled to a copyright unless he shall, before publication, deposit in the mail a printed copy of the title of the book . . ."

§ 99: "[I]f any person, *after the recording of the title* of any book . . . [shall print that book without the copyright proprietor's consent, he can be sued] in a civil action by such proprietor in any court of competent jurisdiction."

Addendum B

Predecessors of 17 U.S.C. § 411(a), cont.

1873 Act Incorporating Copyright Law into Title 60 of the Revised Statutes
(18 Stat. 957, 958-59)

§ 4956: "No person shall be entitled to a copyright unless he shall, before publication, deliver at the office of the Librarian of Congress or deposit in the mail . . . a printed copy of the title of the book. . . ."

§ 4964: "Every person who, *after the recording of the title* of any book . . . and without the consent of the proprietor of the copyright . . . [shall] sell or expose to sale any copy of such book . . . [shall] pay such damages as may be recovered in a civil action by such proprietor in any court of competent jurisdiction."

Predecessors of 28 U.S.C. § 1338, cont.

1873 Act Relating to Jurisdiction and Procedures of the United States Courts in Cases Arising under Patent and Copyright Laws - Title 13 of the Revised Statutes
(18 Stat. 109, 110, 134)

§ 629: "*[C]ircuit courts shall have original jurisdiction* as follows: . . . . Ninth. Of all suits at law or in equity arising under the patent or copyright laws."

§ 711: "The jurisdiction vested in the courts of the United States in cases and proceedings hereinafter mentioned shall be exclusive of the courts of the several states . . . . Fifth. Of all cases arising under the patent-right or copyright laws of the United States."

Addendum B

Predecessors of 17 U.S.C. § 411(a), cont.

1909 Act
(35 Stat. 1075)

§ 12: "No action or proceeding shall be maintained for infringement of copyright in any work until the provisions of this Act with respect to the deposit of copies and *registration of such work shall have been complied with.*" (Codified as 17 U.S.C. § 12).

Predecessors of 28 U.S.C. § 1338, cont.

Judicial Code of 1911
(36 Stat. 1087)

§ 24: "*The district courts shall have original jurisdiction* as follows: . . . . Seventh. Of all suits at law or in equity arising under the patent, the copyright, and the trade-mark laws." (Codified as 28 U.S.C. § 41).

§ 256: "The jurisdiction vested in the courts of the United States in the cases and proceedings hereinafter mentioned, shall be exclusive of the courts of the several States . . . . Fifth. Of all cases arising under the patent-right, or copyright laws of the United States." (Codified as 28 U.S.C. § 371).

Addendum B

Predecessors of 17 U.S.C. § 411(a), cont.

1947 Act to Codify and Enact 1909 Copyright Act into Positive Law
(61 Stat. 652)

§ 13: "No action or proceeding shall be maintained for infringement of copyright in any work until the provisions of this title with respect to the deposit of copies and *registration of such work shall have been complied with.*" (Codified as 17 U.S.C. § 13).

↓

1976 Act
(90 Stat. 2541)

§ 411(a): "No action for infringement of the copyright in any work shall be instituted *until registration of the copyright claim has been made* in accordance with this title. (Codified as 17 U.S.C. § 411(a)).

Predecessors of 28 U.S.C. § 1338, cont.

↓

1948 Revision to Judicial Code
(62 Stat. 869)

§ 1338(a): "*The district courts shall have original jurisdiction* of any civil action arising under any Act of Congress relating to patents, copyrights and trademarks. Such jurisdiction shall be exclusive of the courts of the states in patent and copyright cases." (Codified as 28 U.S.C. § 1338(a)).

RESPONDENT'S BRIEF

104

(2)

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No. 08-103

IN THE

Supreme Court of the United States

REED ELSEVIER INC., THOMSON CORPORATION, DIALOG CORPORATION, GALE GROUP, INC., WEST PUBLISHING COMPANY, INC., DOW JONES & COMPANY, INC., DOW JONES REUTERS BUSINESS INTERACTIVE, LLC, KNIGHT RIDDER INC., KNIGHT RIDDER DIGITAL, MEDIASTREAM, INC., NEWSBANK, INC., PROQUEST COMPANY, UNION-TRIBUNE PUBLISHING COMPANY, NEW YORK TIMES COMPANY, COPLEY PRESS, INC., AND EBSCO INDUSTRIES, INC.,

Petitioners,

v.

LETTY COTTIN POGREBIN, E.L. DOCTOROW, TOM DUNKEL, ANDREA DWORKIN, JAY FELDMAN, JAMES GLEICK, RONALD HAYMAN, ROBERT LACEY, RUTH LANEY, PAULA MCDONALD, P/K ASSOCIATES, INC., GERALD POSNER, MIRIAM RAFTERY, RONALD M. SCHWARTZ, MARY SHERMAN, DONALD SPOTO, MICHAEL CASTLEMAN INC., ROBERT E. TREUHAFT AND JESSICA L. TREUHAFT TRUST, ROBIN VAUGHAN, ROBLEY WILSON, MARIE WINN, NATIONAL WRITERS UNION, THE AUTHORS GUILD, INC. AND AMERICAN SOCIETY OF JOURNALISTS AND AUTHORS,

Respondents,

IRVIN MUCHNICK, ABRAHAM ZALEZNIK, CHARLES SCHWARTZ, JACK SANDS, TODD PITOCK, JUDITH STACEY, JUDITH TROTSKY, CHRISTOPHER GOODRICH, KATHY GLICKEN AND ANITA BARTHOLOMEW,

Respondents.

ON PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

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QUESTIONS PRESENTED

Plaintiffs-Respondents (Letty Cottin Pogrebin *et al.*) support and incorporate the questions presented in the petition for writ of certiorari filed by Defendants-Petitioners (Reed Elsevier *et al.*).

RULE 29.6 STATEMENT

Pursuant to Rule 29.6 of the Rules of this Court, and to enable the Justices of the Court to evaluate possible disqualification or recusal, Plaintiffs-Respondents – Letty Cottin Pogrebin, E.L. Doctorow, Tom Dunkel, Andrea Dworkin, Jay Feldman, James Gleick, Ronald Hayman, Robert Lacey, Ruth Laney, Paula McDonald, P/K Associates, Inc., Gerald Posner, Miriam Raftery, Ronald M. Schwartz, Mary Sherman, Donald Spoto, Michael Castleman Inc., Robert E. Treuhaft and Jessica L. Treuhaft Trust, Robin Vaughan, Robley Wilson, Marie Winn, National Writers Union, The Authors Guild, Inc. and American Society of Journalists and Authors – certify that they have no corporate parents and no publicly held company owns 10% or more of any Respondents' stock.

TABLE OF CONTENTS

QUESTIONS PRESENTED i

RULE 29.6 STATEMENT ii

TABLE OF CITED AUTHORITIES iv

STATUTORY PROVISION INVOLVED 1

STATEMENT OF THE CASE 1

REASONS FOR GRANTING THE WRIT 4

I. THE DISTRICT COURT HAD JURISDICTION TO APPROVE THE SETTLEMENT 4

II. COMPLIANCE WITH SECTION 411(A) OF THE COPYRIGHT ACT BY ALL CLASS MEMBERS IS NOT REQUIRED FOR THE DISTRICT COURT TO HAVE SUBJECT MATTER JURISDICTION TO APPROVE SETTLEMENTS 6

CONCLUSION 11

TABLE OF CITED AUTHORITIES

Cases

Abramson v. Pennwood Investment Corp.,
392 F.2d 759 (2d Cir. 1968) 5

Arbaugh v. Y&H Corp.,
546 U.S. 500 (2006) 7

Bowles v. Russell,
127 S. Ct. 2360 (2007) 10

Eberhart v. United States,
546 U.S. 12 (2005) 7

Exxon Mobil Corp. v. Allapattah Services, Inc.,
545 U.S. 546 (2005) 6

Grupo Dataflux v. Atlas Global Group, L.P.,
541 U.S. 567 (2004) 5, 10

Matsushita Elec. Ind. Co., Ltd. v. Epstein,
516 U.S. 367 (1996) 5

Morris v. Business Concepts, Inc.,
259 F.3d 65 (2d Cir. 2001) 10

New York Times Co. v. Tasini,
533 U.S. 483 (2001) 2, 4

Positive Black Talk Inc. v. Cash Money Records, Inc.,
394 F.3d 357 (5th Cir. 2004) 10

TBK Partners, Ltd. v. Western Union Corp.,
675 F.2d 456 (2d Cir. 1982) 5

Wal-Mart Stores, Inc. v. Visa U.S.A.,
396 F.3d 96 (2d Cir. 2005) 5

Weinberger v. Salfi,
422 U.S. 749 (1975) 9

Well-Made Toy Mfg. Corp. v. Goffa Int'l Corp.,
354 F.3d 112 (2d Cir. 2003) 6

Statutes

7 U.S.C. § 2707(e)(3) 8

16 U.S.C. § 814 8

17 U.S.C. § 708 10

17 U.S.C. § 408 ..... 8, 10

17 U.S.C. § 409(1)-(11) 10

17 U.S.C. § 410 10

17 U.S.C. § 411(a) ..... *passim*

17 U.S.C. § 507(b) 10

28 U.S.C. § 1331 ..... 4, 9

28 U.S.C. § 1332(a) 12, 13

28 U.S.C. § 1338 ..... 4, 6

28 U.S.C. § 1339 8

28 U.S.C. § 1345 7

28 U.S.C. § 1346(a)(2) 8

28 U.S.C. § 1347 8

28 U.S.C. § 1348 8

42 U.S.C. § 405(h) 8

49 U.S.C. § 24301(l)(2) 8

Regulations

37 C.F.R. § 201.3 3

Legislative History

H.R. No. 94-1476 8

Treatises

2 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* § 7.16(B)(1)(b)(3) (2007) 11

STATUTORY PROVISION INVOLVED

17 U.S.C. § 411(a) provides, in pertinent part:

> [N]o action for infringement of the copyright in any United States work shall be instituted until . . . registration of the copyright claim has been made in accordance with this title.

STATEMENT OF THE CASE

This case is exceptionally important to the nation's freelance authors, newspaper and magazine publishers, archival databases, and reading public. If left in place, the Second Circuit's decision vacating the class action settlement in this case will bring about a result that is contrary to this Court's recognition in *New York Times Co. v. Tasini*, 533 U.S. 483, 505 (2001), that "the parties (Authors and Publishers) may enter into an agreement allowing continued electronic reproduction of Authors' works," and would be detrimental to the public interest, for reasons Justice Stevens emphasized in his dissent. *See id.* at 520 (Stevens, J., dissenting).

This class action was brought by freelance authors in 2000 against defendants who infringed their copyrights by including their works, without permission or compensation, in online databases – including widely-used databases that are vital to a wide array of research – such as LexisNexis. The case was stayed pending the decision of this Court in *Tasini*, which was brought individually by six

freelance authors. In *Tasini*, this Court held that electronic publishers had infringed the copyrights of freelance authors, and stated:

> [T]he parties (Authors and Publishers) may enter into an agreement allowing continued electronic reproduction of Authors' works; they, and if necessary the courts and Congress, may draw on numerous models for distributing copyrighted works and remunerating authors for their distribution.

Id. at 505.

The settlement in this case, reached after nearly four years of intense mediation and approved by the district court, is a comprehensive, industry-wide agreement among authors, publishers, and electronic databases allowing continued electronic reproduction and display of the class members' works.

The district court granted final approval of the settlement, and some objectors took an appeal. Shortly before oral argument, the Second Circuit Court of Appeals *sua sponte* raised the issue whether the district court had subject matter jurisdiction over claims based on unregistered copyrights – an issue neither raised nor briefed in the district court.

A divided panel vacated the district court final approval order, reasoning that the district court "lacked jurisdiction to certify the class and approve the settlement agreement" because the settlement class included class members with claims based on

unregistered copyrights. Pet. App. 27a.[1] Judge John M. Walker dissented on the ground that copyright registration under 17 U.S.C. § 411(a) is not a jurisdictional, but rather a claims processing, requirement. Pet. App. 27a-45a.

The Second Circuit's decision dismantled a comprehensive settlement of this copyright infringement action designed to ensure that the nation's archival digital databases will remain intact. The impact of the decision is far reaching. Most freelance authors (*i.e.*, the vast majority of the class) whose copyrights were infringed on a widespread basis will go without any redress. Most will not spend $35 or $45 (see 37 C.F.R. § 201.3) to register a year's worth of works to bring an actual damages infringement claim for articles they sold years ago for $50 or $100.

With no comprehensive settlement in place, the publishers and databases will have no choice but to search for and delete whole swaths of freelance works from their digital archives, or risk repetitive litigation over the same dispute the parties sought to settle in this case.

Such gaps in the digital archives will compromise the interests of the reading public, ironically leading to the very result that Justice Stevens warned about in his dissent in *Tasini*:

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[1] Citations to "Pet." refer to the Petition for a Writ of Certiorari filed by Defendants-Petitioners Reed-Elsevier, Inc. *et al.*, No. 08-103, and citations to "Pet. App" refer to the appendix thereto.

> The majority discounts the effect its decision will have on the availability of comprehensive digital databases, but I am not as confident. As petitioners' *amici* have persuasively argued, the difficulties of locating individual freelance authors and the potential of exposure to statutory damages may well have the effect of forcing electronic archives to purge freelance pieces from their databases. "The omission of these materials from electronic collections, for any reason on a large scale or even an occasional basis, undermines the principal benefits that electronic archives offer historians – efficiency, accuracy and comprehensiveness." Brief for Ken Burns et al. as *Amici Curiae* 13.

533 U.S. at 520 (Stevens, J., dissenting) (citation omitted).

REASONS FOR GRANTING THE WRIT

I. The District Court had Jurisdiction to Approve the Settlement.

The district court had subject matter jurisdiction in this civil action under 28 U.S.C. §§ 1331 and 1338. Each named plaintiff met the requirements of 17 U.S.C. § 411(a), by registering his or her United States works with the Copyright Office

before instituting this lawsuit.[2] *See Grupo Dataflux v. Atlas Global Group, L.P.*, 541 U.S. 567, 570-71 (2004) (jurisdiction is determined at the time of filing).

As a result, the district court had the jurisdiction and power to approve the class action settlement agreement, even though the settlement included the release of claims by class members based on unregistered copyrights that could not have been actually adjudicated in the class action. *Matsushita Elec. Ind. Co. v. Epstein*, 516 U.S. 367, 369 (1996) (federal court must give Full Faith and Credit to state court judgment approving a class action settlement that released claims within the exclusive jurisdiction of the federal courts); *Wal-Mart Stores, Inc. v. Visa U.S.A.*, 396 F.3d 96, 108-09 (2d Cir. 2005) (class action settlement can release claim against non-parties); *TBK Partners Ltd. v. Western Union Corp.*, 675 F.2d 456, 460-61 (2d Cir. 1982) (because of the strong public policy favoring settlements, a court may permit the release of claims it might not have had the power to adjudicate); *Abramson v. Pennwood Investment Corp.*, 392 F.2d 759, 762 (2d Cir. 1968) (state court could approve derivative suit settlement that included the release of federal securities claims that could not have been adjudicated in state court).

---

[2] Foreign works are covered by the Berne Convention for the Protection of Literary and Artistic Works, which is not at issue here.

The district court was not required to have subject matter jurisdiction over every claim of every class member in order to have subject matter jurisdiction over this copyright class action. This Court has rejected the argument, implicit in the Second Circuit's opinion here, that jurisdiction must exist over every claim in a case for the court to possess jurisdiction over a civil action. This Court stated that it could "not accept the view, urged by some of the parties, commentators, and Courts of Appeals, that a district court lacks original jurisdiction over a civil action unless the court has original jurisdiction over every claim in the complaint." *Exxon Mobil Corp. v. Allapattah Servs.*, 545 U.S. 546, 560 (2005).

II. Compliance With Section 411(a) of the Copyright Act by all Class Members is not Required for the District Court to Have Subject Matter Jurisdiction to Approve Settlements.

Congress has expressly vested the federal courts with exclusive subject matter jurisdiction over copyright actions. *See* 28 U.S.C. § 1338(a). Notwithstanding this express grant of jurisdiction, the Second Circuit vacated the class action settlement and held that Section 411(a) of the Copyright Act provides an additional mandatory registration requirement for subject matter jurisdiction. In so doing, the Second Circuit ignored settled law permitting the release of claims that cannot actually be adjudicated in a class action. *See* Section I, *supra*; Pet. at 13-25. In addition, Section 411(a) is not a source of or limitation on subject

matter jurisdiction, but instead constitutes a claims-processing rule or element of a copyright claim.

This Court has urged that courts more carefully distinguish between true jurisdictional bars and claim-processing rules that may be waived and to revisit the use of the "jurisdiction" label in that light. *Eberhart v. United States*, 546 U.S. 12, 13, 16 (2005) (per curiam); *see also Kontrick v. Ryan*, 540 U.S. 443, 455 (2004) ("Clarity would be facilitated if courts and litigants used the label 'jurisdictional' not for claim-processing rules, but only for prescriptions delineating the classes of cases (subject-matter jurisdiction) and the persons (personal jurisdiction) falling within a court's adjudicatory authority.").

This distinction is essential, as claims-processing rules are subject to waiver by adverse parties, whereas limitations that go to a court's subject matter jurisdiction are not waivable and may be raised by courts *sua sponte*. *See Eberhart*, 546 U.S. at 19.

In *Arbaugh v. Y&H Corp.*, 546 U.S. 500, 515-16 and n.11 (2006), this Court stated that statutes should not be considered jurisdictional unless they "clearly" state an intention to limit jurisdiction. That case lists statutes that by their express terms confer or limit the subject matter jurisdiction of the court, rather than imposing an obligation on a party:

> Certain statutes confer subject-matter jurisdiction only for actions brought by specific plaintiffs, *e.g.*, 28 U.S.C. § 1345 (United States and its agencies and

officers),[3] 49 U.S.C. § 24301(l)(2) (Amtrak),[4] or for claims against particular defendants, *e.g.*, 7 U.S.C. § 2707(e)(3) (persons subject to orders of the Egg Board);[5] 28 U.S.C. § 1348 (national banking associations),[6] or for actions in which the amount in controversy exceeds, *e.g.*, 16 U.S.C. § 814,[7] or falls below, *e.g.*, 22 U.S.C. § 713(a)(1)(B),[8] 28 U.S.C. § 1346(a)(2),[9] a stated amount. Other jurisdiction-conferring provisions

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[3] "Except as otherwise provided by Act of Congress, *the district courts shall have original jurisdiction of all civil actions* . . . ." (emphasis added).

[4] "The *district courts of the United States have original jurisdiction over a civil action* Amtrak brings . . . ." (emphasis added).

[5] ". . . and *the several district courts of the United States are hereby vested with jurisdiction to entertain such suits* regardless of the amount in controversy." (emphasis added).

[6] "*The district courts shall have original jurisdiction of any civil action* commenced by the United States . . . ." (emphasis added).

[7] ". . . Provided, That *United States district courts shall only have jurisdiction of cases* when the amount claimed by the owner of the property to be condemned exceeds $ 3,000 . . . ." (emphasis added).

[8] "*The district courts of the United States shall have original jurisdiction*, concurrent with the United States Court of Federal Claims . . . ." (emphasis added).

[9] "(a) *The district courts shall have original jurisdiction*, concurrent with the United States Claims Court . . . ." (emphasis added).

> describe particular types of claims. *See, e.g.*, [28 U.S.C.] § 1339 ("any civil action arising under any Act of Congress relating to the postal service"); [28 U.S.C.] § 1347 ("any civil action commenced by any tenant in common or joint tenant for the partition of lands where the United States is one of the tenants in common or joint tenants"). In a few instances, Congress has enacted a separate provision that expressly restricts application of a jurisdiction-conferring statute. *See, e.g., Weinberger v. Salfi*, 422 U.S. 749, 756-761 (1975) (42 U.S.C. § 405(h) bars § 1331 jurisdiction over suits to recover Social Security benefits).

That Section 411(a) does not limit subject matter jurisdiction in connection with settlements of properly instituted claims is confirmed by its purpose. "[R]egistration is not a condition of copyright protection," 17 U.S.C. § 408(a), and its purpose is unrelated to the creation or vesting of a substantive right. Rather, "[r]egistration furthers the important policy behind copyright of disclosing works and making them part of the public domain." Pet. App. at 35a. To this end, the Copyright Act creates an incentive for registration by providing the additional remedies of statutory damages and attorney's fees for those holding registered copyrights. *See id.* (citing H.R. No. 94-1476 at 158).

In addition, courts have applied Section 411 in a manner fundamentally inconsistent with its being

jurisdictional in connection with settlement approval. Under this Court's precedent, requirements that are truly jurisdictional are not subject to waiver or equitable exceptions. *See Bowles v. Russell*, 127 S. Ct. 2360, 2362 (2007) (petitioner's untimely notice of appeal – although filed in reliance upon district court's order – deprived court of appeals of jurisdiction). Section 411(a), however, is "riddled with jurisdictionally recognized exceptions." Pet. App. at 35a. For instance, a plaintiff's failure to register his or her copyright before commencing suit may be cured after commencement by registration and the filing of a supplemental pleading. *See, e.g., Positive Black Talk Inc. v. Cash Money Records, Inc.*, 394 F.3d 357, 366 (5th Cir. 2004).

Even while referring to registration as a jurisdictional matter, the Second Circuit Court of Appeals in *Morris v. Business Concepts, Inc.*, 259 F.3d 65, 68 n.1 (2d Cir. 2001), acknowledged that the plaintiff "could have cured the jurisdictional defect here [failure to register] by registering those of her articles that were not time-barred by 17 U.S.C. § 507(b)." This ability to cure is inconsistent with the holding in *Grupo*, 541 U.S. at 570-71, that subject matter jurisdiction is unalterably determined at the time of filing.

Copyright registration is also akin to, and less stringent than, exhaustion requirements found *not* to be jurisdictional. *See* Pet. App. at 34a n.1. Registration is a relatively simple and inexpensive process, *i.e.*, the submission of (1) a deposit (photocopy) of the work, (2) an application for

registration, and (3) a fee. *See* 17 U.S.C. §§ 408(b), 409(1)-(11), 708. Regardless of whether the Register of Copyrights registers the claim (and issues a certificate of registration) or refuses registration, 17 U.S.C. § 410, this action on the part of the Register of Copyrights is not required for purposes of commencing suit. *See* Pet. App. at 34a n.1.

In this regard, copyright registration is analogous to a filing fee for a civil action, which plainly need not be filed by each absent class member in order for the district court to obtain jurisdiction. *See* 2 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* § 7.16(B)(1)(b)(3) (2007) ("Section 411(a) can be viewed as a court filing requirement, much like the fees that must be paid to file a complaint in a United States district court.")

Accordingly, Section 411(a) does not limit a court's subject matter jurisdiction to approve a settlement releasing claims that could not have been adjudicated in the class action.

CONCLUSION

For the foregoing reasons, and those set forth in Defendants-Petitioners' petition for writ of certiorari, Plaintiffs-Respondents respectfully submit that the petition of Defendants-Petitioners should be granted.

Dated: August 11, 2008

Respectfully submitted,

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RESPONDENT'S BRIEF

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2009
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No. 08-103
IN THE
Supreme Court of the United States

REED ELSEVIER INC., THOMSON CORPORATION, DIALOG CORPORATION, GALE GROUP, INC., WEST PUBLISHING COMPANY, INC., DOW JONES & COMPANY, INC., DOW JONES REUTERS BUSINESS INTERACTIVE, LLC, KNIGHT RIDDER INC., KNIGHT RIDDER DIGITAL, MEDIASTREAM, INC., NEWSBANK, INC., PROQUEST COMPANY, UNION-TRIBUNE PUBLISHING COMPANY, NEW YORK TIMES COMPANY, COPLEY PRESS, INC., AND EBSCO INDUSTRIES, INC.,

Petitioners,

– against –

IRVIN MUCHNICK, ABRAHAM ZALEZNIK, CHARLES SCHWARTZ, JACK SANDS, TODD PITOCK, JUDITH STACEY, JUDITH TROTSKY, CHRISTOPHER GOODRICH, KATHY GLICKEN AND ANITA BARTHOLOMEW,

Respondents,

LETTY COTTON POGREBIN, E.L. DOCTOROW, TOM DUNKEL, ANDREA DWORKIN, JAY FELDMAN, JAMES GLEICK, RONALD HAYMAN, ROBERT LACEY, RUTH LANEY, PAULA MCDONALD, P/K ASSOCIATES, INC., GERALD POSNER, MIRIAM RAFTERY, RONALD M. SCHWARTZ, MARY SHERMAN, DONALD SPOTO, MICHAEL CASTLEMAN INC., ROBERT E. TREUHAFT AND JESSICA L. TREUHAFT TRUST, ROBIN VAUGHAN, ROBLEY WILSON, MARIE WINN, NATIONAL WRITERS UNION, THE AUTHORS GUILD, INC., AND AMERICAN SOCIETY OF JOURNALISTS AND AUTHORS,

Respondents,

ON WRIT OF CERTIORARI TO THE
UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

BRIEF FOR RESPONDENTS POGREBIN ET AL. IN SUPPORT OF PETITIONERS

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TABLE OF CONTENTS

Page

STATEMENT OF JURISDICTION 1

STATUTORY PROVISION INVOLVED 1

STATEMENT OF THE CASE 2

SUMMARY OF THE ARGUMENT 4

ARGUMENT 6

I. Section 411(a) Does Not Restrict the Original Subject Matter Jurisdiction of the Federal Courts 6

II. Section 411(a) Does Not Restrict the Supplemental Subject Matter Jurisdiction of the Federal Courts 18

CONCLUSION 23

TABLE OF CITED AUTHORITIES

Page

Cases

Abramson v. Pennwood Investment Corp.,
392 F.2d 759 (2d Cir. 1968) 18

Arbaugh v. Y&H Corp.,
546 U.S. 500 (2006) 8, 9, 10, 14

Bowles v. Russell,
127 S. Ct. 2360 (2007) 15

Breuer v. Jim's Concrete of Brevard, Inc.,
538 U.S. 691 (2003) 21, 22

Brooks-Ngwenya v. Indianapolis Public Schools,
No. 08-1973, 2009 U.S. App. LEXIS 8126
(7th Cir. April 15, 2009) 17

Eberhart v. United States,
546 U.S. 12 (2005) 7, 8, 15

Exxon Mobil v. Allapattah Services,
545 U.S. 546 (2005) 19, 20

Grupo Dataflux v. Atlas Global Group, L.P.,
541 U.S. 567 (2004) 16

Kontrick v. Ryan,
540 U.S. 443 (2004) 7, 8, 15

La Resolana Architects v. Clay Realtors Angel Fire,
416 F.3d 1195 (10th Cir. 2005) 6, 16

Lindsay v. Government Employees Insurance Company,
448 F.3d 416 (D.C. Cir. 2006)..... 21, 22

In re Literary Works in Electronic Databases Copyright Litigation,
509 F.3d 116 (2d Cir. 2007)..... 3, 4, 11, 15

M.G.B. Homes, Inc. v. Ameron Homes, Inc.,
903 F.2d 1486 (11th Cir. 1990) 16

Matsushita Electric Industrial Co.,
516 U.S. 367 (1996) 17

Morris v. Business Concepts, Inc.,
259 F.3d 65 (2d Cir. 2001)..... 15

New York Times v. Tasini,
533 U.S. 483 (2001) 2, 3

Olan Mills Inc. v. Linn Photo Co.,
23 F.3d 1345 (8th Cir. 1994) 16

Positive Black Talk Inc. v. Cash Money Records, Inc.,
394 F.3d 357 (5th Cir. 2004) 15

TBK Partners Ltd. v. Western Union Corp.,
675 F.2d 456 (2d Cir. 1982)..... 18

Vacheron & Constantin-Le Coultre Watches, Inc. v. Benrus Watch Co.,
260 F.2d 637 (2d Cir. 1958)..... 11

Wal-Mart Stores, Inc. v. Visa U.S.A.,
396 F.3d 96 (2d Cir. 2005), *cert. denied*, 544 U.S. 1044 (2005) 17

Weinberger v. Salfi,
422 U.S. 749 (1975) 10, 14

Zipes v. Trans World Airlines,
455 U.S. 385 (1982) 16

Statutes

7 U.S.C. § 2707(e)(3) 9

16 U.S.C. § 814 10

17 U.S.C. § 101 6

17 U.S.C. § 102(a) 6

17 U.S.C. § 408(a) 6

17 U.S.C. § 408(b) 12

17 U.S.C. §§ 409(1)-(11) 12

17 U.S.C. § 410 13

17 U.S.C. § 411(a) ..... *passim*

17 U.S.C. § 412 13

17 U.S.C. § 504 13

17 U.S.C. § 505 13

17 U.S.C. § 507(b) 15

17 U.S.C. § 708 12

22 U.S.C. § 6713(a)(1)(B) 10

28 U.S.C. § 1254(1) 1

28 U.S.C. § 1291 1

28 U.S.C. § 1331 ..... *passim*

28 U.S.C. § 1332(a) 20

28 U.S.C. § 1338 ..... *passim*

28 U.S.C. § 1339 10

28 U.S.C. § 1345 9

28 U.S.C. § 1346(a)(2), ... 10

28 U.S.C. § 1347 10

28 U.S.C. § 1348 9

28 U.S.C. § 1367 ..... *passim*

28 U.S.C. § 1441(a) 21

29 U.S.C. § 216(b) 22

42 U.S.C. § 405(h) 10, 14

49 U.S.C. § 24301(l)(2) 9

Regulation

37 C.F.R. § 201.3 4

Legislative History

134 Cong. Rec. S. 14549, S14552 (100th Cong. 2nd Sess.) 13

H.R.Rep. 94-1476 (94th Cong. 2nd Sess.), *reprinted in* 1976 U.S.C.C.A.N. 5679, 5773 ..... 11, 12

Treatise

2 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* § 7.16 (2007) 13

STATEMENT OF JURISDICTION

The district court had jurisdiction under 28 U.S.C. §§ 1331, 1338 and 1367, and the Second Circuit had jurisdiction under 28 U.S.C. § 1291. The Second Circuit's Opinion was entered on November 29, 2007, and a timely petition for rehearing and rehearing en banc was denied on April 15, 2008. Pet. App. 1a, 59a. On June 9, 2008, Justice Ginsburg extended the time to file a petition for writ of certiorari to and including August 13, 2008. Pet. App. 62a. This Court has jurisdiction under 28 U.S.C. § 1254(1).

STATUTORY PROVISION INVOLVED

17 U.S.C. § 411(a) provides in relevant part:

> [N]o civil action for infringement of the copyright in any United States work shall be instituted until preregistration or registration of the copyright claim has been made in accordance with this title. In any case, however, where the deposit, application, and fee required for registration have been delivered to the Copyright Office in proper form and registration has been refused, the applicant is entitled to institute a civil action for infringement if notice thereof, with a copy of the complaint, is served on the Register of Copyrights. The Register may, at his or her option, become a party to the action with respect to the issue of registrability of

> the copyright claim by entering an appearance within sixty days after such service, but the Register's failure to become a party shall not deprive the court of jurisdiction to determine that issue.

STATEMENT OF THE CASE

This case is exceptionally important to the nation's freelance authors, newspaper and magazine publishers, archival databases, and reading public. If left in place, the Second Circuit's decision vacating the settlement in this case will bring about a result that is contrary to this Court's recognition in *New York Times v. Tasini,* 533 U.S. 483, 505 (2001), that "the parties (Authors and Publishers) may enter into an agreement allowing continued electronic reproduction of Authors' works," and would be detrimental to the public interest.

This class action was brought by freelance authors in 2000 against defendants that infringed their copyrights by including their works, without permission or compensation, in online databases – including widely-used databases that are vital to a wide array of research – such as LexisNexis. The case was stayed pending the decision of this Court in *Tasini,* which was brought individually by six freelance authors. In *Tasini*, this Court held that electronic publishers had infringed the copyrights of freelance authors, and stated:

> [T]he parties (Authors and Publishers) may enter into an agreement allowing continued electronic reproduction of Authors' works; they, and if necessary the courts and Congress, may draw on numerous models for distributing copyrighted works and remunerating authors for their distribution.

Id. at 505.

The settlement in this case, reached after nearly four years of intense mediation and approved by the district court, is a comprehensive, industry-wide agreement among authors, publishers, and electronic databases allowing continued electronic reproduction and display of freelance works.

The district court granted final approval of the settlement, and some objectors took an appeal. Shortly before oral argument, the Second Circuit Court of Appeals *sua sponte* raised the issue whether the district court had subject matter jurisdiction over claims based on unregistered copyrights.

A divided panel vacated the district court's final approval order, reasoning that the district court lacked jurisdiction to certify the class and approve the settlement agreement because the settlement included claims based on unregistered copyrights. *In re Literary Works in Electronic Databases Copyright Litigation*, 509 F.3d 116, 121, 128 (2d Cir. 2007). Judge John M. Walker dissented on the ground that copyright registration under 17 U.S.C.

§ 411(a) is not a jurisdictional, but rather a claim-processing, requirement. *Id.* at 134.

The Second Circuit Court of Appeals dismantled a comprehensive settlement of this copyright infringement action designed to ensure that the nation's archival digital databases will remain intact, and that freelance authors will be fairly compensated for their contributions to the databases. The impact of its ruling is far reaching. Most freelance authors (*i.e.*, the vast majority of the class) whose copyrights were infringed on a widespread basis will not spend $35 or $45 (*see* 37 C.F.R. § 201.3) to register a year's worth of works to bring an actual damages infringement claim for articles they sold years ago for $50 or $100.

With no comprehensive settlement in place, the publishers and databases will have no choice but to search for and delete whole swaths of freelance works from their digital archives, or risk repetitive litigation over the same dispute the parties sought to settle in this case. Such gaps in the digital archives will compromise the interests of the reading public.

SUMMARY OF THE ARGUMENT

Section 411(a) of Title 17 of the United States Code does not restrict either the original subject matter jurisdiction of federal courts under 28 U.S.C. §§ 1331 and 1338 or the supplemental subject matter jurisdiction of federal courts under 28 U.S.C. § 1367(a).

First, pursuant to 28 U.S.C. §§ 1331 and 1338, the district court had original subject matter

jurisdiction over this civil action arising under the United States copyright laws when this civil action was instituted, as well as when it was settled. Neither the text nor legislative history of section 411(a) clearly states an intention that section 411(a) restricts this original jurisdiction. Moreover, the Circuit Courts of Appeal have endorsed exceptions to the registration requirement of section 411(a) that are inconsistent with a determination that section 411(a) is subject matter jurisdictional. Instead, section 411(a) is a claim-processing rule or prerequisite to suit which can be enforced or waived by defendants. In this case, defendants waived their rights under section 411(a) by settling.

Second, even assuming *arguendo* that compliance with section 411(a) is a requirement of original subject matter jurisdiction, the district court had such original subject matter jurisdiction over this civil action, because the named plaintiffs with United States works met the requirements of section 411(a) by registering their copyrights before instituting this lawsuit. The claims of settling freelance authors with unregistered copyrights arise from the same case or controversy as the claims of the plaintiffs with registered copyrights. The district court therefore could exercise supplemental jurisdiction over such claims pursuant to 28 U.S.C. § 1367(a), as nothing in 17 U.S.C. § 411(a) expressly restricts or prohibits such supplemental jurisdiction.

Accordingly, because it had subject matter jurisdiction, the district court had jurisdiction to certify the settlement class and approve the settlement of this civil action.

ARGUMENT

I. Section 411(a) Does Not Restrict the Subject Matter Jurisdiction of the Federal Courts.

Under the United States Copyright Act, 17 U.S.C. § 101 et seq., "[c]opyright protection subsists . . . in original works of authorship fixed in a tangible medium," 17 U.S.C. § 102(a), even if the works are not registered, 17 U.S.C. § 408(a) ("registration is not a condition of copyright protection"). *See La Resolana Architects v. Clay Realtors Angel Fire,* 416 F.3d 1195, 1198 (10th Cir. 2005) ("Congress made it easier to obtain copyright protection by recognizing that a copyright exists the moment an original idea leaves the mind and finds expression in a tangible medium, be it words on a page, images on a screen, or paint on a canvas").

This civil action arises under the United States Copyright Act, as the claims of the named plaintiffs (as well as the claims of all class members) challenge the same conduct – defendants' infringement of their United States copyrights by defendants' reproduction in electronic databases of their freelance articles without permission. (JA 79-102). Section 1331 of Title 28 provides district courts with subject matter jurisdiction over "all civil actions arising under the Constitution, laws, or treaties of the United States." Section 1338(a) of Title 28 expressly vests the federal courts with exclusive subject matter jurisdiction over "any civil action arising under any Act of Congress relating to . . . copyrights." The district court thus had

original subject matter jurisdiction over this civil action pursuant to 28 U.S.C. §§ 1331 and 1338.

Section 411(a) does not restrict the subject matter jurisdiction of the federal courts under 28 U.S.C. §§ 1331 and 1338 over claims arising under the United States Copyright Act. Section 411(a) of the Copyright Act provides in relevant part:

> . . . [N]o civil action for infringement of the copyright in any United States work shall be instituted until . . . registration of the copyright claim has been made in accordance with this title.

17 U.S.C. § 411(a).[1] Rather than constituting a source of or limitation on subject matter jurisdiction, section 411(a) is instead a claim-processing rule or prerequisite to suit that must be enforced by the district court if timely raised by a defendant.

This Court has urged that courts should more carefully distinguish between true jurisdictional bars and statutory requirements that may be waived by defendants and, accordingly, should more cautiously apply the "jurisdictional" label. *See Eberhart v. United States*, 546 U.S. 12, 18-19 (2005); *Kontrick v. Ryan*, 540 U.S. 443, 455 (2004). As this Court stated in *Kontrick*:

> Clarity would be facilitated if courts and litigants used the label "jurisdictional" not for claim-processing rules, but only

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[1] Subsection (b) of section 411 pertains to requirements for the certificate of registration, which are not at issue here.

> for prescriptions delineating the classes of cases (subject-matter jurisdiction) and the persons (personal jurisdiction) falling within a court's adjudicatory authority.

540 U.S. at 455.

This distinction is essential, as non-jurisdictional rules are subject to waiver or forfeiture by adverse parties, whereas limitations that go to a court's subject matter jurisdiction are not waivable or forfeitable and may also be raised by courts *sua sponte*. *See Eberhart*, 546 U.S. at 19. Similarly, the failure of a party to prove an element of its claim may not be raised for the first time on appeal by the party's adversary or by the court. "Only lack of subject-matter jurisdiction is preserved post-trial." *Kontrick*, 540 U.S. at 459.

In *Arbaugh v. Y&H Corp.*, 546 U.S. 500, 515-16 and n.11 (2006), this Court stated that statutes should not be considered jurisdictional unless they "clearly" state an intention to limit jurisdiction:

> If the Legislature clearly states that a threshold limitation on a statute's scope shall count as jurisdictional, then courts and litigants will be duly instructed and will not be left to wrestle with the issue. . . . But when Congress

> does not rank a statutory limitation on coverage as jurisdictional, courts should treat the restriction as nonjurisdictional in character.

Id. at 515-16.

Arbaugh lists, as jurisdictional, statutes that by their express term confer or limit the subject matter jurisdiction of the court, rather than impose an obligation on a party:

> Certain statutes confer subject-matter jurisdiction only for actions brought by specific plaintiffs, *e.g.*, 28 U.S.C. § 1345 (United States and its agencies and officers)[2]; 49 U.S.C. § 24301(l)(2) (Amtrak)[3]; or for claims against particular defendants, *e.g.*, 7 U.S.C. § 2707(e)(3) (persons subject to orders of the Egg Board)[4]; 28 U.S.C. § 1348 (national banking associations)[5]; or for actions in which the amount in

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2 "Except as otherwise provided by Act of Congress, the district courts shall have original jurisdiction of all civil actions . . . ."

3 "The district courts of the United States have original jurisdiction over a civil action Amtrak brings . . . ."

4 ". . . and the several district courts of the United States are hereby vested with jurisdiction to entertain such suits regardless of the amount in controversy."

5 "The district courts shall have original jurisdiction of any civil action commenced by the United States . . . ."

> controversy exceeds, *e.g.*, 16 U.S.C. § 814[6], or falls below, *e.g.*, 22 U.S.C. § 6713(a)(1)(B)[7], 28 U.S.C. § 1346(a)(2)[8], a stated amount. Other jurisdiction-conferring provisions describe particular types of claims. *See, e.g.*, § 1339 ("any civil action arising under any Act of Congress relating to the postal service"); § 1347 ("any civil action commenced by any tenant in common or joint tenant for the partition of lands where the United States is one of the tenants in common or joint tenants"). In a few instances, Congress has enacted a separate provision that expressly restricts application of a jurisdiction-conferring statute. *See, e.g., Weinberger v. Salfi*, 422 U.S. 749, 756-761 (1975) (42 U.S.C. § 405(h) bars § 1331 jurisdiction over suits to recover Social Security benefits).

546 U.S. at 515 n.11.

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6 ". . . Provided, That United States district courts shall only have jurisdiction of cases when the amount claimed by the owner of the property to be condemned exceeds $ 3,000 . . . ."

7 "The district courts of the United States shall have original jurisdiction, concurrent with the United States Court of Federal Claims . . . ."

8 "(a) The district courts shall have original jurisdiction, concurrent with the United States Claims Court . . . ."

Neither section 411(a) nor its legislative history clearly states an intention to limit or restrict the subject matter jurisdiction of district courts under 28 U.S.C. §§ 1331 and 1338. Section 411(a) was enacted instead to encourage the registration of copyrights. As Judge Walker stated in his dissent, ". . . Congress passed § 411(a) to *facilitate the enforcement* of copyrights. . . ." *In re Literary Works*, 509 F.3d at 129. The House Report issued in connection with the Copyright Revision Act of 1976 supports this conclusion:

> The first sentence of section 411(a) restates the present statutory requirement that registration must be made before a suit for copyright infringement is instituted. Under the bill, as under the law now in effect, a copyright owner who has not registered his claim can have a valid cause of action against someone who has infringed his copyright, *but he cannot enforce his rights in the courts until he has made registration*."

H.R.Rep. 94-1476 (94th Cong. 2nd Sess.), *reprinted in* 1976 U.S.C.C.A.N. 5679, 5773 (emphasis added).[9]

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[9] The legislative history of section 411(a) further explains:

> The second and third sentences of section 411(a) would alter the present law as interpreted in *Vacheron & Constantin-Le Coultre Watches, Inc. v. Benrus Watch Co.*, 260 F.2d 637 (2d Cir. 1958). That case requires an applicant, who

Section 411(a) imposes an obligation on the plaintiff in a copyright action to register the copyright before "instituting" a copyright infringement action. This mandate runs to the party "instituting" the lawsuit, not to the district court. Registration involves the submission of (1) a deposit (photocopy) of the work, (2) an application for registration, and (3) a fee. *See* 17 U.S.C. §§ 408(b), 409(1)-(11), 708.[10] Whether the Register of

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> has sought registration and has been refused, to bring an action against the Register of Copyrights to compel the issuance of a certificate, before suit can be brought against an infringer. Under section 411, a rejected claimant who has properly applied for registration may maintain an infringement suit if notice of it is served on the Register of Copyrights. The Register is authorized, though not required, to enter the suit within 60 days; the Register would be a party on the issue of registrability only, and a failure by the Register to join the action would "not deprive the court of jurisdiction to determine that issue."

H.R.Rep. 94-1476, 1976 U.S.C.C.A.N. 5679, 5773. Thus, the legislative history establishes that the last two sentences of section 411(a), to which the reference to "jurisdiction" pertains, provide that certain procedural actions – namely, bringing an action against the Register of Copyrights to compel the issuance of a certificate of registration and joinder of the Register, where registration has been refused – are *not* prerequisites for an infringement suit. Moreover, neither the legislative history nor section 411(a) expressly refers to a federal court's jurisdiction under section 1331 or section 1338 of Title 28.

[10] Copyright registration is analogous to a filing fee for a civil action, which plainly need not be filed by each plaintiff in order for the district court to obtain jurisdiction over a civil

Copyrights registers the claim (and issues a certificate of registration) or refuses the registration, 17 U.S.C. § 410, a suit can be commenced. The Copyright Act creates another incentive for registration by providing the additional remedies of statutory damages and attorney's fees for those who timely register their copyrights. *See* 17 U.S.C. §§ 412, 504 and 505.

Section 411(a) by its terms requires only the registration before suit of "United States works," and not foreign works that are protected by United States copyright law under the Berne Convention. As Senator Leahy stated in support of the Berne Convention Implementation Act of 1988:

> Berne forbids the governments of members states from *imposing formalities as conditions of "the enjoyment and the exercise" of copyright.* I have consistently maintained that the requirement of copyright registration *as a precondition to any lawsuit to enforce copyright is a formality* prohibited by Berne.

134 Cong. Rec. S. 14549, S14552 (100th Cong. 2nd Sess.) (emphasis added).

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action. *See* 2 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* § 7.16(B)(1)(b)(iii) (2007) ("Section 411(a) can be viewed as a court filing requirement, much like the fees that must be paid to file a complaint in a United States district court").

Rather than restricting the original subject matter jurisdiction of district courts over United States (but not foreign) works protected by United States copyright, the registration requirement for United States works encourages persons to register their United States works with the United States Copyright Office, since they will not be permitted to enforce their copyrights over the timely objection of a defendant in the absence of such registration.

In contrast to the statute at issue in *Weinberger v. Salfi*, 422 U.S. 749, 756 (1975), where this Court noted that 42 U.S.C. § 405(h) *expressly* provides that "[n]o action against the United States, the Secretary, or any officer or employee thereof shall be brought under [§ 1331 et seq.] of Title 28 to recover on any claim arising under [Title II of the Social Security Act]," section 411(a) of the Copyright Act does not expressly refer to or restrict a federal court's jurisdiction under section 1331 or section 1338 of Title 28.

As in *Arbaugh*, 546 U.S. at 514, where this Court stated that "[n]othing in the text of Title VII indicates that Congress intended courts, on their own motion, to assure that the employee-numerosity requirement is met," nothing in the text of the Copyright Act clearly indicates that Congress intended courts, on their own motion, to assure that the registration requirement of section 411(a) is met. Rather, defendants can raise section 411(a) as a defense to a claim to enforce an unregistered copyright; it will be the rare defendant that will waive its rights under section 411(a), unless such

waiver is in connection with the settlement of a lawsuit.

Although a number of Circuit Courts of Appeal, discussed below, have stated that section 411(a) is "jurisdictional," these courts have used the term "jurisdictional" loosely, without the rigor urged by this Court in *Kontrick* and *Eberhart*. Despite referring to section 411(a) as a "jurisdictional" requirement, the Circuit Courts of Appeal have applied section 411(a) in a manner fundamentally inconsistent with its being *subject matter* jurisdictional.

Under this Court's precedent, true subject matter jurisdiction requirements are not permitted to be waived or relaxed with equitable exceptions. *See Bowles v. Russell*, 127 S. Ct. 2360, 2362 (2007) (petitioner's untimely notice of appeal – although filed in reliance upon district court's order – deprived court of appeals of subject matter jurisdiction). Section 411(a), however, is "riddled with jurisdictionally recognized exceptions," as Judge Walker wrote in his dissent in this case. *In re Literary Works*, 509 F.3d at 132. While referring to registration as a jurisdictional matter in *Morris v. Business Concepts, Inc.*, 259 F.3d 65, 68 n.1 (2d Cir. 2001), the court stated that the plaintiff "could have cured the jurisdictional defect here by registering those of her articles that were not time-barred by 17 U.S.C. § 507(b)." In *Positive Black Talk Inc. v. Cash Money Records, Inc.*, 394 F.3d 357, 366-67 (5th Cir. 2004), the court stated that section 411(a) is jurisdictional, but held that a plaintiff's failure to register his or her copyright before commencing suit

could be cured *after* commencement by registration and the filing of a supplemental pleading.

In *Olan Mills Inc. v. Linn Photo Co.*, 23 F.3d 1345, 1349 (8th Cir. 1994), the court held that, while section 411(a) may be jurisdictional, the "power to grant injunctive relief is not limited to registered copyrights, or even to those copyrights which give rise to an infringement action." In *La Resolana Architects v. Clay Realty Angel Fire*, 416 F.3d 1195, 1208 (10th Cir. 2005), the court held section 411(a) to be jurisdictional, but expressed "no opinion as to whether the jurisdictional defect could be cured after commencement of the infringement action." *In M.G.B. Homes, Inc. v. Ameron Homes, Inc.*, 903 F.2d 1486, 1489 (11th Cir. 1990), the court held that section 411(a) was jurisdictional, but that the failure to register could be cured with the filing of an amended complaint *after* registration, because the defendant was not prejudiced by this procedure.

These cases are inconsistent with the holding in *Grupo Dataflux v. Atlas Global Group, L.P.*, 541 U.S. 567, 570-71 (2004), that subject matter jurisdiction is determined at the time of filing. These cases are consistent, instead, with a determination that the registration requirement of section 411(a) is a curable and waivable claim-processing rule or prerequisite to suit. *See Zipes v. Trans World Airlines*, 455 U.S. 385, 393 (1982) (the timely filing of an EEOC charge is not a jurisdictional prerequisite to suit in federal court under Title VII, but a requirement that, "like a statute of limitations, is subject to waiver, estoppel, and equitable tolling").

Because the district court had subject matter jurisdiction over this civil action pursuant to 28 U.S.C. §§ 1331 and 1338, and because 17 U.S.C. § 411(a) does not restrict that jurisdiction,[11] the district court had jurisdiction to approve the settlement in this case, in which the defendants voluntarily agreed to compensate copyright owners for their claims based on unregistered freelance articles. In doing so, defendants waived their right to move to dismiss such claims for failure to comply with section 411(a).

No "special" or additional subject matter jurisdiction is required for a district court to certify a settlement class and approve a settlement in a civil action over which it has original subject matter jurisdiction at the time the complaint is filed. *Cf. Matsushita Electric Industrial Co.*, 516 U.S. 367, 369 (1996) (federal court must give Full Faith and Credit to state court judgment approving a class action settlement that released claims within the exclusive jurisdiction of the federal courts); *Wal-Mart Stores, Inc. v. Visa U.S.A.*, 396 F.3d 96, 108-09 (2d Cir. 2005), *cert. denied*, 544 U.S. 1044 (2005) (class action settlement can release claim against non-

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[11] A recent decision from the Seventh Circuit follows this analysis. *See Brooks-Ngwenya v. Indianapolis Pub. Schools*, No. 08-1973, 2009 U.S. App. LEXIS 8126 (7th Cir. April 15, 2009) (per curiam). In *Brooks-Ngwenya*, the court addressed whether serving notice of suit on the Register of Copyrights is a jurisdictional requirement, concluding that it is not. *Id.* at *6, *8. Recognizing that federal courts have exclusive jurisdiction over copyright cases under 28 U.S.C. § 1338(a), the Seventh Circuit reasoned that "section 411(a) simply prescribes the manner in which courts exercise that jurisdiction." *Id.* at *7.

defendants); *TBK Partners Ltd. v. Western Union Corp.*, 675 F.2d 456, 460 (2d Cir. 1982) (because of the strong public policy favoring settlements, a court may permit the release of claims it might not have had the power to adjudicate); *Abramson v. Pennwood Investment Corp.*, 392 F.2d 759, 762 (2d Cir. 1968) (state court could approve derivative suit settlement that included the release of federal securities claims that could not have been adjudicated in state court).

II. Section 411(a) Does Not Restrict the Supplemental Subject Matter Jurisdiction of the Federal Courts

For purposes of this argument, we assume that 17 U.S.C. § 411(a) restricts a court's original subject matter jurisdiction, and that a court must therefore *sua sponte* enforce section 411(a) (even on appeal) in a case where no claim has been filed in compliance with that statute. Even if that assumption is made, the Second Circuit should not have dismissed this civil action *sua sponte* for lack of subject matter jurisdiction.

The district court had original subject matter jurisdiction over the claims of the named plaintiffs who registered copyrights in their freelance works prior to instituting suit (JA 81-85; 104).[12] Pursuant to 28 U.S.C. § 1367(a), the court had supplemental subject matter jurisdiction over claims relating to

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[12] Infringement claims based on non-United States works are not subject to section 411(a)'s registration requirement.

unregistered works, for the reasons explained below.[13]

> Section 1367(a) provides that:
>
> Except as provided in subsections (b) and (c) or as expressly provided otherwise by Federal statute, in any civil action of which the district courts have original jurisdiction, the district courts shall have supplemental jurisdiction over all other claims that are so related to claims in the action within such original jurisdiction that they form part of the same case or controversy under Article III of the United States Constitution. Such supplemental jurisdiction shall include claims that involve the joinder or intervention of additional parties.

Section 1367(a) applies to "any civil action of which the courts have original jurisdiction." Because the district court had original subject matter jurisdiction over the claims of named plaintiffs who registered their works before instituting suit, the district court had original subject matter jurisdiction over this civil action. The district court was not required to have subject matter jurisdiction over every claim of every freelance author in order to have such original subject matter jurisdiction. On the contrary, this Court stated in *Exxon Mobil v. Allapattah Services,*

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[13] The Consolidated Amended Class Action Complaint in this action specifically pleads jurisdiction under 28 U.S.C. § 1367(a). (JA 81).

545 U.S. 546, 560 (2005), that it could "not accept the view, urged by some of the parties, commentators, and Courts of Appeals, that a district court lacks original jurisdiction over a civil action unless the court has original jurisdiction over every claim in the complaint."

This Court stated further that, "[i]f the court has original jurisdiction over a single claim in the complaint, it has original jurisdiction over a 'civil action' within the meaning of [section] 1367(a), even if the civil action over which it has jurisdiction comprises fewer claims than were included in the complaint." *Id.* at 559.

In each case where original jurisdiction exists, section 1367(a) permits supplemental jurisdiction "over all other claims" that are so related as to be within the same case or controversy under Article III, even if such claims involve additional parties. As this Court stated in *Exxon*, the last sentence of section 1367(a) "expressly contemplates that the court may have supplemental jurisdiction over additional parties," 545 U.S. at 564, as well as additional claims.

In *Exxon*, the additional parties were plaintiffs (or class members) whose claims did not meet the amount-in-controversy requirement of 28 U.S.C. § 1332(a). Although such parties would have been barred from federal court if they had sued alone, their claims were nonetheless held to be within the district court's supplemental jurisdiction under section 1367(a) because their claims formed "part of the same case or controversy" as a claim that

did meet the amount-in-controversy requirement of section 1332(a).

Here, similarly, the claims of freelance authors with unregistered copyrights, even if not within the original subject matter jurisdiction of the district court because of their failure to comply with section 411(a), are within the supplemental jurisdiction of the court pursuant to section 1367(a), because these claims for unregistered works form "part of the same case or controversy" as the claims for registered works – all claims arise from copyright infringement in the same databases by the same defendants. *See Lindsay v. Government Employees Insurance Company*, 448 F.3d 416, 422-24 (D.C. Cir. 2006).

Further, although section 411(a) provides that no copyright action may be "instituted" before registration, it does not expressly prohibit or restrict supplemental jurisdiction over claims for unregistered copyrights. Section 411(a) of the Copyright Act is therefore not a federal statute within the meaning of section 1367(a)'s introductory proviso – section 411(a) is not a federal statute that "expressly provides otherwise" as to supplemental jurisdiction.

The federal removal statute, 28 U.S.C. § 1441(a), contains language similar to section 1367(a), permitting removal "[e]xcept as otherwise expressly provided by Act of Congress." In *Breuer v. Jim's Concrete of Brevard, Inc.*, 538 U.S. 691, 696-97 (2003), this Court warned against reading the term "expressly" out of the statute. There, the Court

rejected the argument that "any text, even when ambiguous, that might be read as inconsistent with removal is an 'express' prohibiting provision under the statute." *Id.* at 695. Similarly, here, section 411(a)'s requirement of registration prior to the "institution" of an action does not expressly negate or restrict supplemental jurisdiction under section 1367(a). *See Lindsay*, 448 F.3d at 421-22 (29 U.S.C § 216(b) is not covered by section 1367(a)'s opening proviso because it does not expressly prohibit the exercise of supplemental jurisdiction).

In conclusion, even assuming that 17 U.S.C. § 411(a) restricts the original subject matter jurisdiction of federal courts, the district court had original subject matter jurisdiction over the claims of all of the named plaintiffs for registered works. Therefore, pursuant to section 1367(a), the district court could exercise supplemental jurisdiction over claims relating to unregistered freelance articles, certify the class and approve the settlement, as nothing in section 411(a) of the Copyright Act expressly restricts or prohibits such supplemental jurisdiction.

CONCLUSION

For the foregoing reasons, and for the reasons set forth in the Brief for Petitioners, Respondents Pogrebin et al. respectfully request that this Court reverse and vacate the opinion of the Second Circuit Court of Appeals and remand for further proceedings.

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RESPONDENT'S BRIEF

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No. 08-103

IN THE

Supreme Court of the United States

REED ELSEVIER INC., ET AL.,

Petitioners,

v.

IRVIN MUCHNICK, ET AL.,

Respondents.

On a Writ of Certiorari
to the United States Court of Appeals
for the Second Circuit

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QUESTION PRESENTED

Does 17 U.S.C. § 411(a) restrict the subject matter jurisdiction of the federal courts over copyright infringement actions?

TABLE OF CONTENTS

QUESTION PRESENTED i
TABLE OF AUTHORITIES iv
BRIEF FOR THE RESPONDENTS 1
OPINIONS BELOW 1
JURISDICTION 1
RELEVANT STATUTORY PROVISIONS 2
STATEMENT OF THE CASE 3
SUMMARY OF ARGUMENT 11
ARGUMENT 18
I. SECTION 411(A) IS A SPECIES OF "CLAIM-PROCESSING RULE"—NAMELY, A PROCEDURAL PREREQUISITE TO FILING SUIT—AND NOT A RESTRICTION ON SUBJECT-MATTER JURISDICTION 18
A. A Copyright Holder's Legal Rights — And Hence the Existence Of A Cause Of Action — Do Not Depend on Registration Under Section 411(a) 19
B. The Text And Structure of Section 411(a) Show That It Simply Sets Out A Condition Precedent To Filing Suit On Infringement Claims Over Which Federal Courts Have Subject-Matter Jurisdiction 23
C. The Legislative History And Policies Behind Section 411(a) Reinforce The Conclusion That Registration Is Simply A Condition Precedent 31

II. IN A CLASS ACTION SUCH AS THIS, ONLY THE NAMED PLAINTIFFS WERE REQUIRED TO SATISFY SECTION 411(a)'s CLAIM-PROCESSING RULE 33

III. SUPPLEMENTAL JURISDICTION UNDER 28 U.S.C.§ 1367 PROVIDES AN ALTERNATIVE BASIS IN THIS CASE FOR EXERCISING JURISDICTION OVER THE INFRINGEMENT CLAIMS OF UNREGISTERED COPYRIGHT HOLDERS 36

A. The Claims Of The Unregistered Copyright Holders Meet The Criteria For The Exercise Of Supplemental Jurisdiction Set Out In 28U.S.C. § 1367(a) 36

B. Section 411(a) Does Not Constitute A Provision "Expressly Provid[ing] Otherwise" With Respect to the Exercise Of Supplemental Jurisdiction 41

IV. THIS COURT SHOULD NOT RESOLVE THIS CASE ON THE GROUNDS THAT IT INVOLVES SIMPLY APPROVAL OF A SETTLEMENT RATHER THAN EXERCISE OF ADJUDICATORY JURISDICTION 44

CONCLUSION 47

TABLE OF AUTHORITIES

Cases

Aircraft & Diesel Equipment Corp. v. Hirsch, 331 U.S. 752 (1947) 23, 30

Albemarle Paper Co. v. Moody, 422 U.S. 405 (1975) 14, 34

Alexander v. Gardner-Denver Co., 415 U.S. 36 (1974) 28

Amchem Prods., Inc. v. Windsor, 521 U.S. 591 (1997) 33

American Fine & Cas. Co. v. Finn, 341 U.S. 6 (1951) 21

Arbaugh v. Y & H Corp., 546 U.S. 500 (2006) ..... passim

Baltimore S.S. Co. v. Phillips, 274 U.S. 316 (1927) 21

Bowe v. Colgate-Palmolive Co., 416 F.2d 711 (7th Cir. 1969). 34

Bowles v. Russell, 551 U.S. 205 (2007) 18, 29

Breuer v. Jim's Concrete of Brevard, Inc., 538 U.S. 691 (2003) 16, 26, 41

City of Chicago v. International College of Surgeons, 522 U.S. 156 (1997) 37

Clark v. Paul Gray, Inc., 306 U.S. 583 (1939) 15, 40

Eberhart v. United States, 546 U.S. 12 (2005) ... 18, 36

Exxon Mobil Co. v. Allapattah Services, 545 U.S. 546 (2005) ..... passim

Fla. Dept. of Revenue v. Picadilly Cafeterias, Inc., 128 S. Ct. 2326 (2008) 25

Franks v. Bowman Transp. Co., 424 U.S. 747 (1976) 14, 34

Jones v. Bock, 549 U.S. 199 (2007) 13, 27

Kontrick v. Ryan, 540 U.S. 443 (2004) 18, 31, 36

Lindsay v. Government Employees Insurance Co., 448 F.3d 416 (D.C. Cir 2006) 42

Matsushita Electric Indust. Co. v. Epstein, 516 U.S. 367 (1996). 17, 44, 45

Nat'l Railroad Passenger Corp. v. Morgan, 536 U.S. 101 (2002) 13, 28

New York Times, Inc. v. Tasini, 533 U.S. 483 (2001) ..... passim

Porter v. Nussle, 534 U.S. 516 (2002) 25

Steel Co. v. Citizens for Better Environment, 523 U.S. 83 (1998) 18, 28

United States v. American Trucking Ass'n, 310 U.S. 534 (1940) 23

Washingtonian Publishing Co. v. Pearson, 306 U.S. 30 (1939) 27

Weinberger v. Salfi, 422 U.S. 749 (1975) 26

Woodford v. Ngo, 548 U.S. 81 (2006) 13, 27, 29

Zipes v. Trans World Airlines, Inc., 455 U.S. 385 (1982) ..... passim

Statutes

15 U.S.C. § 78aa 45

16 U.S.C. § 814 29

17 U.S.C. § 101 3

17 U.S.C. § 106 19
17 U.S.C. § 302(a) ..... passim
17 U.S.C. § 407(a) 43
17 U.S.C. § 408(a) ..... passim
17 U.S.C. § 410(b) 32
17 U.S.C. § 410(c) 21
17 U.S.C. § 411(a) ..... passim
17 U.S.C. § 412(2) 6, 7, 21
17 U.S.C. § 502(a) 21
17 U.S.C. § 504 21
17 U.S.C. § 505 35
17 U.S.C. § 507(b) 21, 25
17 U.S.C. § 704(d) 43
28 U.S.C. § 1254(1) 1
28 U.S.C. § 1291 1
28 U.S.C. § 1331 ..... passim
28 U.S.C. § 1332 ..... 29, 39
28 U.S.C. § 1338(a) ..... passim
28 U.S.C. § 1367(a) ..... passim
28 U.S.C. § 1441(a) 41
28 U.S.C. § 1914(a) 21
28 U.S.C. § 2107(a) 29
42 U.S.C. § 13891(e)(4) 42
42 U.S.C. § 1997e(a) 13, 27, 28, 29
42 U.S.C. § 2000e-5(f)(3) 13, 24, 28, 29
42 U.S.C. § 405(h) 26
Berne Convention Implementation Act of 1988, Pub. L. 100-568, 102 Stat. 2853 (1988) 23

Legislative History

H.R. REP. NO. 101-734, 1990 U.S.C.C.A.N. 6860 44
H.R. REP. NO. 94-1476 (1976) 20, 31, 38
S. REP. NO. 100-352 (1988) 21, 32
S. REP. NO. 101-416, 1990 U.S.C.C.A.N. 6802 44

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BRIEF FOR THE RESPONDENTS

Respondents Irvin Muchnick, et al. respectfully request that this Court reverse the judgment of the United States Court of Appeals for the Second Circuit.

OPINIONS BELOW

The opinion of the United States Court of Appeals for the Second Circuit (Pet. App. 1a-45a) is reported at 509 F.3d 116 (2d Cir. 2007). The oral opinion of the district court (Pet. App. 48a-58a) is unpublished. The order of the district court approving the settlement and entering final judgment (J.A. 152-57) is unpublished.

JURISDICTION

The district court had jurisdiction over this case pursuant to 28 U.S.C. §§ 1331, 1338(a), and 1367(a). The court of appeals had jurisdiction under 28 U.S.C. § 1291. The judgment of the court of appeals was entered on November 29, 2007; a timely petition for rehearing was denied on April 15, 2008. Pet. App. 1a, 59a. After receiving an extension of the time within which to file a petition for a writ of certiorari to and including August 13, 2008, petitioners filed their petition on July 21, 2008. This Court has jurisdiction pursuant to 28 U.S.C. § 1254(1).

RELEVANT STATUTORY PROVISIONS

17 U.S.C. § 302(a) provides in pertinent part:

> Copyright in a work created on or after January 1, 1978, subsists from its creation and ... endures for a term consisting of the life of the author and 70 years after the author's death.

17 U.S.C. § 408(a) provides in pertinent part:

> **Registration Permissive.**— At any time during the subsistence of the first term of copyright in any published or unpublished work in which the copyright was secured before January 1, 1978, and during the subsistence of any copyright secured on or after that date, the owner of copyright or of any exclusive right in the work may obtain registration of the copyright claim by delivering to the Copyright Office the deposit specified by this section, together with the application and fee specified by sections 409 and 708. Such registration is not a condition of copyright protection.

17 U.S.C. § 411(a) provides in pertinent part:

> [N]o action for infringement of the copyright in any United States work shall be instituted until preregistration or registration of the copyright claim has been made in accordance with this title.

28 U.S.C. § 1367(a) provides in pertinent part:

> Except as . . . expressly provided otherwise by Federal statute, in any civil action of which the district courts have original jurisdiction, the district courts shall have supplemental jurisdiction over all other claims that are so related to claims in the action within such original jurisdiction that they form part of the same case or controversy under

Article III of the United States Constitution. Such supplemental jurisdiction shall include claims that involve the joinder or intervention of additional parties.

STATEMENT OF THE CASE

Under U.S. law, copyright protection for a work created on or after January 1, 1978, exists in the work "from its creation." 17 U.S.C. § 302(a). The Copyright Act expressly provides that formal registration with the U.S. Copyright Office "is not a condition of copyright protection." *Id.* § 408(a). The question presented in this case involves the circumstances under which federal courts have the power to adjudicate claims of copyright infringement involving certain kinds of unregistered works. The court of appeals read Section 411(a) of the Copyright Act to deprive federal courts of subject-matter jurisdiction over claims involving unregistered "United States works" – in particular, works first published in the United States. *Id.* § 101.[1]

1. The impetus for this case was this Court's decision in *New York Times, Inc. v. Tasini*, 533 U.S. 483 (2001). *Tasini* involved a copyright infringement

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[1] The category of "United States works" is broader, involving also, inter alia, works by U.S. nationals or domiciliaries first published abroad in nations that are not parties to international copyright treaties and sculptural works incorporated into buildings located in the United States. *See* 17 U.S.C. § 101. This case, however, concerns solely a subset of U.S. works – those that were first published in the United States.

suit by six freelance authors who had contributed work to three print periodicals that subsequently entered into agreements to have the freelancers' work included in electronic databases. This Court held that the defendant corporations – the original publishers plus the database creators with whom they had contracted – had infringed the authors' copyrights by including their work without the authors' consent. Responding to the defendants' concern that its ruling would require removing freelancers' work from databases and thereby "punch gaping holes in the electronic record of history," *id.* at 505, the Court observed that there might be a range of possible solutions including that the "parties" might "enter into an agreement allowing continued electronic reproduction of the Authors' works." *Id.* It further noted that such an agreement might "draw on numerous [existing] models for distributing copyrighted works and remunerating authors for their distribution," *id.* (citing the ASCAP-BMI membership-based licensing system for permitting the use of copyrighted musical works).

This case concerns an effort to craft a method of settling potential infringement claims and permitting the continued use of freelance authors' copyrighted works by electronic databases. Following the decision in *Tasini*, the United States District Court for the Southern District of New York consolidated three class action infringement suits then pending against a number of publishers and media corporations and coordinated the consolidated case with yet a fourth pending class action. *See* J.A. 1, 16, 48, 69; *id.* at 80. The district court then referred the parties to mediation. *See* Pet. App. 6a. The named

plaintiffs (who appear in this Court as respondents in support of petitioners) and the defendants (petitioners in this Court) ultimately reached a proposed settlement agreement in 2005. Pet. App. 7a.

While *Tasini* involved only six individual plaintiffs and a limited number of publications and electronic database creators, the proposed settlement here sweeps far more broadly. Its proposed plaintiff class consists of "[a]ll persons" holding copyright under U.S. laws "in an English language literary work that has been reproduced, displayed, adapted, licensed, sold and/or distributed in any electronic or digital format, without the person's express authorization" by any of the defendants since August 15, 1997. J.A. 110-11. The parties agree that this plaintiff class has tens of thousands of members.

Similarly, the defendants covered by the settlement (the "Defense Group") consist of at least 36 individual print and electronic media corporations, *id.* at 108, 150-51, almost all of which operate electronic databases that published copyrighted works owned by various freelance authors, *id.* at 93.

The proposed settlement covers all the plaintiff class's claims "whether arising under federal, state, or foreign law, . . . with respect to any and all of the Subject Works, including but not limited to all claims arising out of the same facts as their claims of copyright infringement, past, present, or future, known or unknown," *id.* at 113-14, and would provide a release against "any known or unknown, suspected or unsuspected, contingent or non-contingent claim," *id.* at 143.

The proposed settlement would give the defendants what the agreement "consider[s]" a "license," *id.* at 128, to continue using a class member's works in their database, without compensation, unless a class member files a timely notice within the 120-day claims period demanding the removal of his or her work. *See id.* at 130 (authorizing the "Continuing Use of Subject Works"). The settlement paragraph governing the release of the class members' claims clarifies that this de facto license is "irrevocable, worldwide, and continuing," and can be transferred in a variety of ways. *See id.* at 140.

The proposed agreement also provides a possibility of compensation to members of the plaintiff class. It caps the settling defendants' potential payments at $18 million. *Id.* at 119. It divides the plaintiff class's works into three subcategories, with potential compensation depending on a work's categorization. *See id.* at 122-23; Pet. App. 8a. Authors must file claims under the settlement's claims process in order to receive compensation. *See* J.A. 122, 130.

"Category A" works are those that an author "properly registered as an individual work with the United States Copyright Office in time to be eligible for statutory damages under 17 U.S.C. § 412(2)." J.A. 121-22.[2]

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[2] Section 412(2) provides for statutory damages and attorney's fees if an author has registered the work either before any infringement occurs or "within three months after the first publication of the work."

"Category B" works are those that an author "properly registered before December 31,2002, but not in time to be eligible for statutory damages under 17 U.S.C. § 412(2)." J.A. 123.

"Category C" covers all other works, J.A. 123, including works that were registered with the Copyright Office after December 31, 2002, and works that were not registered at all, whether U.S. works or foreign works. Pet. App. 8a. The overwhelming majority of the works at issue in this litigation fall into Category C. *See id.* at 7a (noting the publishers' estimate that 99 percent of claims at issue would fall in this category).

The settlement agreement sets out a plan of allocation for making payments to authors who file claims under the settlement's claims process. For Category A works, the proposed payments range from $875 to $1500 per infringed work. *See* J.A. 122-23. For Category B works, the proposed payment would be the "greater of $150 or 12.5% of the original sale price" of the infringed work. *See id.* at 123. For Category C works, the proposed payments would range from $5 to $60 per work. *See id.* at 123.

In light of the proposed agreement's $18 million cap, the agreement also provides a formula for reducing the compensation to be paid to copyright holders who file claims. If the monetary value of claims filed plus the agreed-upon fees and costs (including a $4.4 million award for class counsel, $800,000 in administrative expenses and a credit of $1 million for the required notices to class members) were to exceed $18 million, then the payments for Category C works would be reduced pro rata. *See* J.A. 124. Payments for Category A and B works

would be reduced "only if necessary," *id.* – that is, only once payments for Category C works are eliminated altogether through the "C-reduction," Pet. App. 9a.

2. After reaching the settlement, the named plaintiffs and the publishers moved for class certification and settlement approval. Pet. App. 9a. Objectors, led by respondent Irvin Muchnick, a well-known freelance writer, opposed the settlement on several grounds. Among these were their objection to the settlement's granting irrevocable and transferable licenses for continued use of the class members' work and their objection to the way that claims involving works in Category C were both calculated initially and subject to potential reductions. In light of these problems with the settlement, they also objected to the adequacy of the representation provided by the named plaintiffs. *See* Objector-Appellants, C.A. Br. at 26-31, 45-52. The district court rejected the objections, certified the class, and approved the settlement. Pet. App. 10a.

3. The objector-respondents appealed both the class certification and the approval of the settlement. Shortly before oral argument, the Second Circuit *sua sponte* ordered additional briefing on the question whether 17 U.S.C. § 411(a) – which provides that "[n]o action for infringement of the copyright in any United States work shall be instituted until ... registration of the copyright claim has been made" – deprives federal courts of subject-matter jurisdiction over unregistered copyright claims. Pet. App. 10a. After hearing oral arguments on both this issue and respondents' objections, a divided panel of the Second Circuit held that federal courts lack subject-matter

jurisdiction over infringement claims involving unregistered U.S. works. *Id.* at 11a.

The panel majority first found that Section 411(a)'s "registration requirement," Pet. App. 10a, was "jurisdictional," *id.* at 11a. While 28 U.S.C. §§ 1331 and 1338 might "initially" provide federal district courts with jurisdiction over copyright actions, Pet. App. 11a, the court of appeals, relying on prior circuit precedent outside the class-action context, found that Section 411(a) "limits a district court's subject matter jurisdiction to claims arising from registered copyrights only," Pet. App. 13a. Indeed, "absent registration," the court of appeals concluded that a "copyright claim does not [even] exist." *Id.* at 18a n.5.

The court of appeals then rejected the parties' arguments that the undoubted presence of some registered claims by the named plaintiffs could confer jurisdiction over related claims involving unregistered U.S. works. In particular, the court declared that the "class action certification device . . . does not offer any alternative source of jurisdiction." Pet. App. 21a. Each claim by each member of any certifiable class, it held, must independently satisfy Section 411(a)'s jurisdictional requirement.[3]

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[3] In a footnote, the court of appeals rejected petitioners' argument that even if the district court would have lacked subject-matter jurisdiction to certify a litigation class containing claims involving unregistered works, it had power to certify a settlement-only class under *Matsushita Electric Indust. Co. v. Epstein*, 516 U.S. 367 (1996). *See* Pet. App. 14a n.2.

Finally, the court of appeals held that the supplemental jurisdiction statute, 28 U.S.C. § 1367(a), could not provide jurisdiction over unregistered copyright claims. Section 1367(a) does not provide supplemental jurisdiction when "expressly provided otherwise by Federal statute," and the court of appeals read Section 411(a) as such an express prohibition. *See* Pet. App. 26a. More broadly, the court of appeals refused to find supplemental jurisdiction because it saw Section 1367(a) as directed to conferring federal jurisdiction only over pendent state-law claims. Pet. App. 25a-26a.

Judge Walker dissented. He identified three reasons to treat Section 411(a) not as a jurisdictional provision, but rather as a "prerequisite" to bringing suit. Pet. App. 31a. First, Judge Walker observed that Section 411(a) did not itself "provide the copyright holder with any of the sticks in his bundle of rights," but rather "simply sets forth a prerequisite to suit . . . . speak[ing] not to rights but to the means of their vindication." Pet. App. 30a-31a. Second, he thought that the legislative history of Section 411(a) showed it to embody a sort of nonjurisdictional administrative exhaustion requirement. *See* Pet. App. 33a. Finally, he declined to treat Section 411(a) as jurisdictional in light of its being "riddled" with exceptions. Pet. App. 35a. For example, some courts permitted plaintiffs to bring suits for damages while registration was still pending (and others permitted plaintiffs to amend their complaints once registration was obtained, despite the general rule that subject-matter jurisdiction must be established at the outset of a lawsuit); still other courts entertained suits for

injunctive relief even on behalf of unregistered claims; and authors of unregistered foreign works were not required to satisfy Section 411(a)'s registration requirement at all. "Taken together," Judge Walker concluded, "§ 411(a)'s language, legislative history, jurisdictional exceptions, and exception for foreign works strongly indicate that the registration requirement is more akin to a claim-processing rule than a jurisdictional prerequisite." Pet. App. 38a. In light of his conclusion that Section 411(a) was nonjurisdictional, Judge Walker believed that its registration requirement need not be satisfied by every member of the plaintiff class. *Id.* at 38a-42a.

All the parties sought rehearing and rehearing en banc. Their motions were denied.

6. The publishers petitioned this Court for review. The settling plaintiffs and the objectors agreed that review was warranted, but disagreed with petitioners as to the questions presented and their resolution. This Court granted certiorari limited to the following question: "whether 17 U.S.C. § 411(a) restricts the subject matter of the federal courts over copyright infringement actions?," and subsequently appointed an *amicus curiae* to argue in support of the judgment.

SUMMARY OF ARGUMENT

The court of appeals erred in construing 17 U.S.C. § 411(a) as an absolute limitation on federal courts' subject-matter jurisdiction over copyright infringement actions. Section 411(a)'s directive that no infringement action involving a U.S. work "shall

be instituted until ... registration of the copyright claim has been made" is a species of claim-processing rule: namely, a procedural prerequisite to filing suit, much like a notice-of-claim or administrative exhaustion requirement. As such, it is subject to waiver and, in the context of class actions such as this, need be satisfied in any event only by the named representatives of the class.

I. Section 411(a) neither identifies the elements of a copyright infringement claim nor sets out a jurisdictional limitation on federal judicial power. Under U.S. law, copyright in a work "subsists from its creation," 17 U.S.C. § 302(a), and "registration is not a condition of copyright protection," *id.* § 408(a). A copyright owner who has not registered his claim in a U.S. work therefore has a valid cause of action against someone who has infringed his copyright; Section 411(a) simply provides that he cannot enforce his right until he has satisfied the procedural prerequisite of seeking registration.

That procedural prerequisite, however, is not a jurisdictional limitation, given this Court's insistence on distinguishing between jurisdictional restrictions and claim-processing rules. Section 411(a) does not itself "speak in jurisdictional terms." *Zipes v. Trans World Airlines, Inc.*, 455 U.S. 385, 394 (1982). Congress did not rank the registration requirement as jurisdictional – by, for example, including it within the provisions expressly governing subject-matter jurisdiction over copyright cases (or even within the chapter of the Copyright Act dealing with remedies). The primary function Congress intended Section 411(a) to perform – ensuring that the Library of Congress continues to receive copies of published

works – has little if any connection to the concerns that normally animate jurisdictional provisions. The fact that a plaintiff whose registration has been rejected or a plaintiff who holds copyright in a foreign, rather than U.S. work, can bring an infringement action involving an unregistered work reinforces the conclusion that Section 411(a) is a claim-processing rule rather than a restriction on the subject-matter jurisdiction of the district courts.

Section 411(a)'s use of the word "until" underscores that the section is at most akin to an exhaustion requirement. The word reflects the fact that a plaintiff can fulfill the registration requirement at any time during the lengthy duration of his copyright term, before or after infringement, and subsequently file suit. Thus, Section 411(a) closely resembles the administrative exhaustion requirement of the Prison Litigation Reform Act, 42 U.S.C. § 1997e(a) (which uses similar phraseology to articulate when a prisoner can bring a civil action) and the charge-filing provision of Title VII of the Civil Rights Act, 42 U.S.C. § 2000e-5(e)(1), each of which this Court has emphasized is a prerequisite to bringing suit that is "not jurisdictional" and that is subject to waiver if not invoked by the defendant. *See, e.g., Jones v. Bock*, 549 U.S. 199 (2007); *Woodford v. Ngo*, 548 U.S. 81 (2006); *Nat'l Railroad Passenger Corp. v. Morgan*, 536 U.S. 101, 109 (2002); *Zipes*, *supra*. Indeed, given the availability of registration for at least the life of the author plus 70 years, Section 411(a) is, if anything, far *less* restrictive than most nonjurisdictional exhaustion requirements. Because petitioners do not argue, before this Court, that holders of unregistered works

should be precluded from recovery, Section 411(a) poses no bar to their claims.

II. Because this case involves a class action, the district court would have jurisdiction in any event to hear class members' claims involving unregistered works as long as the named class representatives satisfied Section 411(a), which they have. This Court has held that unnamed class members in a Title VII case do not need to have filed charges with the EEOC. *See Franks v. Bowman Transp. Co.*, 424 U.S. 747 (1976); *Albemarle Paper Co. v. Moody*, 422 U.S. 405 (1975). Similar reasoning should apply in the context of class actions for copyright infringement. The underlying rights of registered and unregistered copyright holders with respect to their works are identical (although, to be sure, the panoply of available remedies will differ in some respects). The nature of the infringement does not differ according to whether the copyrights were registered or not. Here, as in the Title VII context, the costs of requiring each and every unnamed class member to register every copyright that might have been infringed would far outweigh the benefits to the public provided by registration.

III. Even if this Court were to conclude that Section 411(a) constitutes a jurisdictional limitation on the original subject-matter jurisdiction of the federal courts not subject to waiver by defendants and that the named class representatives' fulfillment of the notice requirement does not suffice to confer jurisdiction across the board, the district court still had power in this case under 28 U.S.C. § 1367 to exercise supplemental jurisdiction over the

infringement claims involving unregistered copyrights.

There is no doubt that the district court had original subject-matter jurisdiction over the named plaintiffs' claims involving registered works. Furthermore, the claims of unregistered copyright holders form part of the same case or controversy as the claims involving registered works. This case involves the wholesale inclusion of freelance authors' work in massive electronic databases. Nothing in the record suggests that the defendants considered whether a particular copyright was registered or not in deciding which works to include. In fact, the infringement of registered and unregistered work often occurred as the result of a single transaction between petitioner publishers and petitioner database operators.

The court of appeals was clearly wrong to hold that supplemental jurisdiction is available only over state-law claims, and cannot confer power to adjudicate otherwise jurisdictionally-deficient federal claims. Section 1367(a) unambiguously overruled the holding and the result in *Clark v. Paul Gray, Inc.*, 306 U.S. 583 (1939), which had held that there can be no pendent jurisdiction over related, jurisdictionally-deficient federal claims. *See Exxon Mobil Co. v. Allapattah Services*, 545 U.S. 546 (2005). In any event, the registration requirement of Section 411(a) cannot in some way be *more* "jurisdictional" than other jurisdictional elements that this Court has held not to bar supplemental jurisdiction.

Section 411(a) does not rise to the level of an "expres[s]" exception to the exercise of supplemental jurisdiction; indeed, it does not speak in jurisdictional

terms at all. *Cf. Breuer v. Jim's Concrete of Brevard*, 538 U.S. 691 (2003). Section 411(a) simply does not provide, in "unmistakable terms" – indeed, in any terms – for an exception to the supplemental jurisdiction statute.

Not only does the plain text of Section 411(a) counsel against treating the section's silence as if it somehow "expressly provid[es]" an exception to Section 1367(a)'s broad grant of authority, but there is also no policy rationale for treating Section 411(a) as exempting the claims involving unregistered copyrights from the operation of the supplemental jurisdiction provision. The only risk that permitting supplemental jurisdiction here poses to the policies behind Section 411(a) comes from the probability that allowing holders of unregistered U.S. works to vindicate their copyrights in cases brought by holders of registered works will decrease somewhat the incentive individual authors would otherwise have to register their works and provide copies to the Library of Congress. In contrast to the speculative policy implications of finding supplemental jurisdiction in this case, the negative policy implications of refusing to permit supplemental jurisdiction are quite concrete. The broad availability of supplemental jurisdiction was intended to enable efficient litigation. Disposing of all the infringement claims arising out of petitioners' databases in a single proceeding will do exactly that. Requiring registration and then individual litigation threatens to swamp the courts with a series of repetitious lawsuits.

IV. Finally, it is important for this Court to decide whether Section 411(a) limits federal courts'

jurisdiction, and not to dispose of this case on the alternative theory that the federal court had power to approve the settlement under *Matsushita Electric Indust. Co. v. Epstein*, 516 U.S. 367 (1996). The question the court of appeals will have to answer on remand, should this Court reverse its judgment, is whether to approve the particular settlement agreement in this case. The answer to that question depends not only on *whether* the district court had authority to approve the settlement but on *why*. If the district court can resolve claims involving unregistered works only in the context of a settlement, then those claims are, as a practical matter, worth less than if plaintiffs can use either the class-action device or supplemental jurisdiction to seek adjudication of unregistered copyright infringement claims along with claims involving registered works. If Section 411(a) does not restrict subject matter jurisdiction and either class-action litigation or supplemental jurisdiction is available, then unregistered claims have a higher practical value since the class members could proceed to trial and receive actual damages even over a defendant's objection. Given that possibility, a settlement that offers holders of unregistered copyrights only nominal damages might be unreasonable. In short, the fairness of the proposed settlement in this case depends in part on the available alternatives to settlement. A decision that does not squarely resolve the jurisdictional question will leave in place an erroneous court of appeals ruling that may lead that court to undervalue respondents' infringement claims in assessing the fairness of the settlement.

ARGUMENT

I. SECTION 411(a) IS A SPECIES OF "CLAIM-PROCESSING RULE" – NAMELY, A PROCEDURAL PREREQUISITE TO FILING SUIT – AND NOT A RESTRICTION ON SUBJECT-MATTER JURISDICTION.

This Court has repeatedly recognized that "[j]urisdiction is a word of many, too many, meanings." *Steel Co. v. Citizens for Better Environment*, 523 U.S. 83, 90 (1998) (internal quotation marks omitted). In recent years, it has drawn a distinction between those provisions that are truly jurisdictional – because they "delineat[e] the class of cases ... falling within a court's adjudicatory authority," *Kontrick v. Ryan*, 540 U.S. 443, 455 (2004) – and those provisions, "however emphatic," *Arbaugh v. Y & H Corp.*, 546 U.S. 500, 510 (2006) that are better understood as "claim-processing rules." *Kontrick*, 540 U.S. at 455; *see also Bowles v. Russell*, 551 U.S. 205, 212 (2007); *Eberhart v. United States*, 546 U.S. 12, 18 (2005) (explaining this distinction). Claim-processing rules articulate requirements that litigants must meet in order to obtain adjudication of claims over which federal courts have subject-matter jurisdiction.

In this case, registration of a copyrighted work under Section 411(a) *neither* "affects federal-court subject-matter jurisdiction [n]or, instead, delineates a substantive ingredient of a . . . claim for relief." *Arbaugh*, 546 U.S. at 503. Rather, it simply sets out a condition precedent to filing suit on a legal claim that does not itself depend on registration.

A. A Copyright Holder's Legal Rights – And Hence The Existence Of A Cause Of Action – Do Not Depend On Registration Under Section 411(a).

A linchpin of the court of appeals' decision in this case was its belief that registration of a work is "essential to the existence of the [underlying] claim" – that is, that "a copyright claim does not exist absent registration or preregistration." Pet. App. 18a n.5 (internal quotation marks omitted). That view misconstrues copyright law and the role of registration within the overall statutory scheme.

1. An author's copyright comes into force immediately upon creation of the work. "Copyright in a work created on or after January 1, 1978, subsists from its creation." 17 U.S.C. § 302(a). The rights that attach to copyright – among them, exclusive control over the ability to distribute, reproduce, or prepare derivative works from a copyrighted work, *id.* § 106 – similarly flow automatically, without the need for any "formality," *see* 1 PAUL GOLDSTEIN, GOLDSTEIN ON COPYRIGHT § 1.2 (3d ed. 2007). In this case, for example, freelance authors acquired copyright in their articles simply by writing them, and were able to sell those articles to publishers who surely knew that the authors had exclusive control over their works.

The Copyright Act makes clear that "registration is not a condition of copyright protection." 17 U.S.C. § 408(a). The fact that 99 percent of freelance authors did not register their copyrights prior to selling their work was irrelevant to publishers' understanding that, in order to use the authors' work, they were required to obtain the authors' consent.

2. Copyright law places virtually no time limit on when an author can seek registration of his work. Under current law, for works created on or after January 1, 1978, copyright protection "endures for a term consisting of the life of the author and 70 years after the author's death." 17 U.S.C. § 302(a). "At any time" during that lengthy period, the copyright holder "may obtain registration," *id.* § 408(a), from the U.S. Copyright Office by following the procedures laid out in Chapter 4 of the Copyright Act. Thus, copyright registration is quite unlike many other statutory schemes that give potential rights holders only a very limited period within which to perfect their entitlement.

Once a copyright holder registers his or her work, he or she can bring suit and recover actual damages for infringing acts that occurred both after and before registration.[4] *See* 1 GOLDSTEIN, *supra*, § 3.15, at 3:152 (2006 Supplement), 2 DAVID NIMMER, NIMMER ON COPYRIGHT § 7.16[B][1][a] (2008), at 7-154 (citing H.R. REP. NO. 94-1476, at 157 (1976)). Similarly, a court can issue an injunction against further or future infringement even if a copyright was only registered well after a work's creation. *See*

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[4] There is a three-year statute of limitations for civil actions in copyright cases, 17 U.S.C. § 507(b), but in cases where the violation involves continuing infringement – as, for example, would be true in cases involving electronic databases – the limitations period runs from the last act of infringement. See 2 GOLDSTEIN, *supra*, § 11.1.1.

17 U.S.C. § 502(a); S. REP. NO. 100-352, at 21 (1988) (Conf. Rep.).[5]

3. The violation of respondents' legal rights, then, occurred at the moment of infringement. The fact that their copyrights were unregistered had no bearing on the nature of their legal entitlements nor on the wrongfulness of petitioners' actions. As this Court long ago recognized, a "cause of action" consists "of the unlawful violation of a right which the facts show." *American Fine & Cas. Co. v. Finn*, 341 U.S. 6, 13 (1951) (quoting *Baltimore S.S. Co. v. Phillips*, 274 U.S. 316, 321 (1927)); *see also* Black's Legal Dictionary 235 (8th ed. 2004) (defining a cause of action as "[a] group of operative facts giving rise to one or more bases for suing"). The question of what steps a copyright holder must take in order to vindicate his legal claim – ranging from bringing suit within the limitations period, *see* 17 U.S.C. § 507(b), to paying the civil filing fee, *see* 28 U.S.C. § 1914(a), to registering his copyright under Section 411(a) – are not themselves elements of his claim.

4. The interaction of Sections 302(a) and 408(a) means that each member of the putative plaintiff class with a copyright in a U.S. work retains the

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[5] To be sure, there are some important advantages to registering a copyright quickly. Section 410(c), for example, provides that a certificate of registration made "before or within five years after first publication of the work shall constitute prima facie evidence of the validity of the copyright and of the facts stated in the certificate." Similarly, under Section 412, early registration of a work is a precondition for obtaining statutory damages and attorney's fees under Sections 504 and 505 of the Copyright Act.

ability, absent a binding settlement, to register his or her work at some point in the future and then to bring suit against any infringing defendant for actual damages as well as for injunctive relief. While the vast majority of putative class members would likely conclude that the costs of registering their work and prosecuting a lawsuit would outweigh the potential benefit, *cf.* Petr. Br. 3, 40, some copyright holders would likely decide otherwise. And the certain prospect of liability in light of *Tasini* would induce defendants to remove even unregistered works from their databases, thereby rendering those databases less complete and less valuable.

5. Finally, Section 411(a) would permit copyright holders of the many foreign works covered by the proposed settlement to file suits for damages and injunctive relief without first obtaining registration.[6] Congress exempted foreign works from Section 411(a) as part of the United States' accession to the Berne Convention. See 2 NIMMER, *supra*, at § 7.16[B][1][b][iii]. Because the Berne Convention

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[6] The scope of the settlement is enormous. It includes every published English language work, regardless of where it was created or originally published, that was contained in one of the covered databases since 1997 without the copyright owner's permission. *See* J.A. 110-11. Over 26,000 publications are covered by the settlement, including thirty-five encyclopedias and numerous foreign English-language publications such as the Aberdeen Evening Express (Scotland); Agence France Presse English Wire; China Daily (English language); the Moscow Times; and the Saigon Times Daily. For a list of the covered publications, see http://cert.gardencitygroup.com/edb/fs/publications (last visited May 24, 2009).

requires that copyright protection "shall not be subject to any formality," Berne Convention for the Protection of Literary and Artistic Works art. 5(2), July 24, 1971 (available at http://www.law.cornell .edu/treaties/berne/5.html), Congress restricted the application of formalities such as registration solely to United States works. See Berne Convention Implementation Act of 1988, Pub. L. 100-568, 102 Stat. 2853 (1988); 2 NIMMER, *supra*, at § 7.16[B][1][b][iii].

* * * * *

Thus, while many of the class members' works have relatively small economic value, that economic value exists and they are legally entitled to exercise exclusive control over their works without regard to whether those works have been registered.

B. The Text And Structure Of Section 411(a) Show That It Simply Sets Out A Condition Precedent To Filing Suit On Infringement Claims Over Which Federal Courts Have Subject-Matter Jurisdiction.

The text of Section 411(a) and the overall structure of copyright law show that registration is "simply a condition to be performed prior to invoking an exercise of jurisdiction by the courts" rather than an element that "goes to the existence of judicial power in the basic jurisdictional sense." *Aircraft & Diesel Equipment Corp. v. Hirsch*, 331 U.S. 752, 764 (1947).

1. There is "no more persuasive evidence of the purpose of a statute than the words by which the legislature undertook to give expression to its

wishes." *United States v. American Trucking Ass'n*, 310 U.S. 534, 543 (1940). When examining the text of a statutory provision to determine whether its requirements are jurisdictional, this Court has asked two questions. First, the Court has looked to relevant jurisdictional provisions to see whether they envision limitations on the jurisdiction they confer. *See Arbaugh*, 546 U.S. at 514-515 (looking at 28 U.S.C. § 1331 – the general federal-question jurisdictional provision – and 42 U.S.C. § 2000e-5(f)(3) – the specific jurisdictional provision for Title VII cases – to answer the question whether the "employee-numerosity requirement" was "jurisdictional"). Second, the Court has asked whether the provision at issue itself "speak[s] in jurisdictional terms." *Zipes v. Trans World Airlines, Inc.*, 455 U.S. 385, 394 (1982). With respect to Section 411(a), both inquiries point to the same conclusion: the registration provision is not jurisdictional.

The express jurisdictional provisions governing copyright infringement cases provide no support for the courts of appeals' conclusion that registration is jurisdictional. Federal district courts obtain subject-matter jurisdiction over copyright infringement actions not from Section 411(a), but from two other statutes, 28 U.S.C. § 1331 (the general federal-question jurisdictional provision) and 28 U.S.C. § 1338(a) (which both expressly confers jurisdiction over copyright claims on federal district courts and makes that jurisdiction exclusive). As the court of appeals itself acknowledged, nothing in either provision suggests any limitation on the courts' jurisdiction. Pet. App. 11a. As in *Arbaugh*, where

this Court emphasized that Congress did not include the employee-numerosity requirement within the relevant jurisdictional provision to conclude that it did not constitute a jurisdictional "threshold," 546 U.S. at 515, so too here: Congress did not "rank" Section 411(a)'s registration requirement "as jurisdictional." 546 U.S. at 516.

Nor does Section 411(a) itself "speak in jurisdictional terms" about its registration requirement. *Zipes*, 455 U.S. at 394. This Court recently noted in *Fla. Dept. of Revenue v. Picadilly Cafeterias, Inc.*, 128 S. Ct. 2326 (2008), that the title of the chapter in which Congress places a provision can be an "informative" tool "'for the resolution of a doubt about the meaning of a statute.'" *Id.* at 2336 (quoting *Porter v. Nussle*, 534 U.S. 516, 528 (2002)). Here, the placement and language of Section 411(a) undercuts the suggestion that it is jurisdictional. The registration provision appears in Chapter 4 of Title 17, which covers "Copyright Notice, Deposit, and Registration," rather than Chapter 5, which addresses "Copyright Infringement and Remedies" – the more plausible location (given that it also contains provisions such as the statute of limitations for infringement actions, § 507(b)) for jurisdictional limitations not actually contained in the jurisdiction-granting statutes themselves (as, for example, the amount in controversy requirement is contained within 28 U.S.C. § 1332, *see Arbaugh*, 546 U.S. at 514-15).

When Congress intends to use a separate provision to restrict the application of a jurisdiction-conferring statute that would otherwise confer power to adjudicate a plaintiff's claim, it does so explicitly.

In 42 U.S.C. § 405(h), for example, Congress expressly restricted general federal-question jurisdiction over certain claims arising under the Social Security Act: "No action . . . shall be brought under section 1331 or 1346 of Title 28 to recover on any claim arising under this subchapter." *See Weinberger v. Salfi*, 422 U.S. 749, 756-759 (1975) (treating § 405(h) as jurisdictional). *See also Breuer v. Jim's Concrete of Brevard, Inc.*, 538 U.S. 691, 696-97 (2003) (internal quotation marks omitted) (holding that in order to bar removal of a suit from state to federal court, Congress must use "unmistakable terms"). None of the words used by Congress in Section 411(a) invoke subject matter jurisdiction, and "when Congress does not rank a statutory limitation on coverage as jurisdictional, courts should treat the restriction as nonjurisdictional in character." *Arbaugh*, 546 U.S. at 516.[7]

2. The language Congress used in Section 411(a) reflects the unique character of the registration requirement within copyright law and suggests that Section 411(a) is far more akin to a nonjurisdictional exhaustion requirement than to a jurisdictional bar. Section 411(a) states that no copyright infringement action "shall be instituted *until*" registration has been made. 17 U.S.C. § 411(a) (emphasis added).

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[7] That Section 411(a) *does* explicitly address jurisdiction with respect to a different issue – the Registrar of Copyright's "failure to become a party" in a case where the registrability of the copyright claim is at issue "shall not deprive the court of jurisdiction to determine that issue" – reinforces the conclusion that the registration requirement is a claim-processing rule rather than a jurisdictional prerequisite.

The use of the word "until" reflects the fact that there is virtually no time limit on registration itself; subject to the statute of limitations for copyright infringement claims, a plaintiff can fulfill the registration requirement at any time before or after infringement, and subsequently file suit. *See supra* at 20.[8] Long ago, in *Washingtonian Publishing Co. v. Pearson*, 306 U.S. 30, 39 (1939), this Court emphasized that "[t]he use of the word 'until' ... rather than 'unless'" to describe the requirements of registration and deposit prior to bringing an infringement action under § 12 of the Copyright Act of 1909 indicated that Congress did not intend "to cause forfeiture of the right" to bring suit.

This Court has recently had several occasions to construe a section of the Prison Litigation Reform Act that uses similar language: 42 U.S.C. § 1997e(a). That section provides that "[n]o action shall be brought" by a prisoner challenging prison conditions "until such administrative remedies as are available are exhausted." While Section 1997e(a), like Section 411(a) creates a precondition to bringing suit in federal court – a prisoner's complaint will be dismissed for failure to properly exhaust prison administrative procedure, *see Woodford v. Ngo*, 548 U.S. 81, 93 (2006) – nevertheless "the PLRA

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[8] At least one circuit has allowed a plaintiff to fulfill the registration requirement after filing suit. *See Positive Black Talk v. Cash Money Records*, 394 F.3d 357, 365 (5th Cir. 2004) (refusing to dismiss a copyright infringement action where the plaintiff had filed suit four days before the Copyright Office received its application, deposit, and fee).

exhaustion requirement is not jurisdictional." *Id.* at 101. Instead, this Court held unanimously in *Jones v. Bock*, 549 U.S. 199 (2007), that failure to exhaust administrative remedies is an affirmative defense that must be timely raised by the defendant. *See id.* at 212-16.

Similarly, in employment discrimination cases, 42 U.S.C. § 2000e-5(e)(1) "is a charge filing provision that 'specifies with precision' the prerequisites that a plaintiff must satisfy before filing suit." *Nat'l Railroad Passenger Corp. v. Morgan*, 536 U.S. 101, 109 (2002) (quoting *Alexander v. Gardner-Denver Co.*, 415 U.S. 36, 47 (1974)).[9] This Court has enforced its provisions rigorously when a defendant has timely raised a plaintiff's failure to satisfy them. And yet here too, the Court has consistently held that compliance with the filing requirement "is not a jurisdictional prerequisite to filing a Title VII suit," but rather "is a requirement subject to waiver," among other things. 536 U.S. at 121; *see also Zipes*, 455 U.S. at 398.

So, too, with Section 411(a). Like Sections 1997e(a) and 2000e-5(e), Section 411(a), sets out a

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[9] Ironically, the actual language in *Gardner-Denver* states that Title VII "specifies with precision the *jurisdictional* prerequisites that an individual must satisfy before he is entitled to institute a lawsuit." 415 U.S. at 47 (emphasis added). That *Morgan* squarely rejected this characterization of the prerequisite highlights the importance of according "drive-by jurisdictional rulings ... no precedential effect" on the question whether federal courts have subject-matter jurisdiction over a class of cases. *Arbaugh*, 546 U.S. at 511 (quoting *Steel Co. v. Citizens for Better Environment*, 523 U.S. 83, 91 (1998)).

prerequisite to filing suit. But just like those statutes, the prerequisite is not jurisdictional but rather is a requirement subject to waiver. Indeed, given the availability of registration for at least the life of the author plus 70 years, Section 411(a) is, if anything, far *less* restrictive than most nonjurisdictional exhaustion requirements, which involve stringent statutes of limitations.[10]

By contrast, jurisdictional requirements traditionally operate to cut off forever a plaintiff's ability to prosecute his or her case. In *Bowles v. Russell*, 551 U.S. 205 (2007), for example, once the thirty days for filing an appeal under 28 U.S.C. § 2107(a) had run, there was nothing the plaintiff could do to confer power on the court of appeals to adjudicate his case. Similarly, in cases involving jurisdictional amounts under statutes like 28 U.S.C. § 1332 (the diversity-jurisdiction provision) or 16 U.S.C. § 814 (setting a jurisdictional amount for eminent domain cases) a plaintiff hoping to sue in federal court cannot do anything to increase the

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[10] For example, a potential Title VII plaintiff must file a charge with the Equal Employment Opportunity Commission or the cognate state fair-employment agency within 180 (or 300) days of the alleged discrimination. 42 U.S.C. § 2000e-5(e)(1). And under 42 U.S.C. § 1997e(a), which provides that prisoners cannot bring civil actions challenging prison conditions "until such administrative remedies as are available are exhausted," prisoners are required to comply with quite stringent time limits. *See Woodford v. Ngo*, 548 U.S. 81, 116 n. 12 (2006) (Stevens, J., dissenting) (noting that many states give prisoners periods of between 48 hours and one month in which to file, or forever waive, their claims for mistreatment).

value of his claim and thereby invoke federal jurisdiction. The ability of a plaintiff in a copyright infringement action to fulfill the registration requirement at any time, however, stands in sharp contrast. Section 411(a) is "simply a condition to be performed prior to invoking an exercise of jurisdiction by the courts," *Aircraft & Diesel Equipment Corp.*, 331 U.S. at 764, rather than a jurisdictional limitation.

3. Finally, other details in the text of Section 411 also indicate that the registration requirement is a procedural formality rather than a jurisdictional restriction. First, a plaintiff is not actually required to *obtain* registration to pursue an infringement action: even if the Copyright Office refuses registration, the plaintiff may proceed with his or her lawsuit. 17 U.S.C. § 411(a). This undercuts the proposition that Section 411(a) restricts the jurisdiction of the federal courts to only registered copyrights; by definition, if registration has been refused, the plaintiff's claim is over an unregistered work, and yet the district courts have the power to hear the case. *See* NIMMER, *supra* § 7.16 (B)(1)(a)(iii) (discussing the courts' power to hear such cases once registration has been sought). The requirement thus resembles a court filing fee more than a jurisdictional requirement. Similarly, the fact that holders of unregistered foreign works can bring suit under Section 411(a) undercuts the proposition that Section 411(a) was intended as a jurisdictional bar, rather than as a simple formality connected to enforcing a claim.

C. The Legislative History And Policies Behind Section 411(a) Reinforce The Conclusion That Registration Is Simply A Condition Precedent.

1. When determining whether a statutory requirement imposes a limit on the federal courts' subject-matter jurisdiction, this Court has also looked to the legislative history to see how Congress characterized the requirement. *See Zipes*, 455 U.S. at 394-95. Nothing in the legislative history of Section 411(a) suggests Congress viewed the registration requirement as restricting the subject-matter jurisdiction conferred by 28 U.S.C. §§ 1331 and 1338(a).

The House Report accompanying the Copyright Act of 1976 describes Section 411(a) in these terms:

> The first sentence of section 411(a) restates the present statutory requirement that registration must be made before a suit for copyright infringement is instituted. Under the bill, as under the law now in effect, a copyright owner who has not registered his claim can have a valid cause of action against someone who has infringed his copyright, but he cannot enforce his rights in the courts until he has made registration.

H.R. Rep. 94-1476, p. 157 (1976). This characterization of an unregistered claim as embodying a "valid cause of action" cannot be reconciled with idea, inherent in the concept of jurisdiction, that a claim lies outside courts' potential "adjudicatory authority." *Kontrick*, 540 U.S. at 455.

2. Moreover, the purposes behind the registration requirement also lead to the conclusion that it is a prerequisite to suit rather than a jurisdictional limit. The primary purpose of the registration requirement has nothing to do with adjudication of infringement actions. Congress preserved the requirement of copyright registration for U.S. works "to create a useful public record and ... to ensure an efficient acquisition program for the Library of Congress" (because registration requires depositing a copy of the work to be registered). 2 NIMMER, *supra*, at § 7.16 [B][1][b][iv] (2009). Although these are worthwhile purposes, they have little if any relationship to the reasons for which Congress generally tailors *jurisdictional* requirements, such as keeping federal court caseloads manageable (by, for example, restricting subject-matter jurisdiction over diversity actions to cases involving substantial amounts in controversy) or precluding judicial review of actions it wishes to commit to agency discretion. (Perhaps that explains why Congress has authorized copyright holders to seek registration, and then to file suit, at virtually any time during the lengthy duration of a copyright.)

Second, while Section 411(a)'s registration requirement may sometimes "simplif[y] and expedit[e] litigation," S. REP. NO. 100-352, at 23 (1988) (Conf. Rep.), by providing the Copyright Office with a chance to weigh in on whether the deposited material constitutes copyrightable subject matter or is otherwise not subject to copyright registration, 17 U.S.C. § 410(b), the registration requirement sometimes threatens the opposite effect. For example, in this case, insisting on the formality of

registration prior to suit would thwart significant interests in judicial economy. If federal courts lack the adjudicatory power to dispose of the claims of the currently unregistered copyright holders at issue here, individual authors will be completely within their rights to file separate suits all across the country for myriad injunctions and claims for actual damages, which are "not inconsequential." J.A. 8. Given that "thousands" of claims relating to "hundreds of thousands of newspaper and magazine articles," Pet. 7, exist, and that each one could be litigated as soon as the copyright holder complied with Section 411(a), if this Court were to hold that Section 411(a) is a jurisdictional prerequisite that must be met individually by each member of the class, that holding would threaten to flood the federal court system with repetitive litigation. The purpose of expediting litigation would be far better served by treating Section 411(a) as a claim-processing rule.

II. IN A CLASS ACTION SUCH AS THIS, ONLY THE NAMED PLAINTIFFS WERE REQUIRED TO SATISFY SECTION 411(a)'s CLAIM-PROCESSING RULE.

The named plaintiffs in this case clearly satisfied the registration requirement of Section 411(a) with respect to at least some of their works. Petr. Br. 4 (citing J.A. 3-4, 18-24, 27, 34, 49-58, 69-72). Thus, as to those works, the district court undeniably had subject-matter jurisdiction. While the court of appeals correctly observed that "the class action certification device ... does not offer any alternative source of jurisdiction," Pet. App. 21a, citing *Amchem Prods., Inc., v. Windsor*, 521 U.S. 591, 613 (1997),

once Section 411(a) is properly understood as a prerequisite to suit or a claim-processing rule, rather than as a jurisdictional limitation, the court of appeals' observation does not answer the question whether every member of the class must satisfy the registration requirement. As Judge Walker pointed out in his dissent, each member of the proposed class clearly had Article III standing, having suffered an injury in fact through the infringement of his or her copyrights that would be redressed by an award of damages. The other statutory prerequisites to suit could be, as they were in this case, waived with respect to unnamed class members. *See* Pet. App. 38a-42a.

1. This Court's decisions in a closely analogous area of law suggest that universal registration is not required. This Court has repeatedly held, in class actions under Title VII, that unnamed class members do not need to have filed charges with the EEOC. *See, e.g.*, *Albemarle Paper Co. v. Moody*, 422 U.S. 405, 414 n. 8 (1975) ("[B]ackpay may be awarded on a class basis under Title VII without exhaustion of administrative procedures by the unnamed class members."); *see also Franks v. Bowman Transp. Co.*, 424 U.S. 747, 771 (1976) (reaffirming the decision in *Albemarle*). As the Seventh Circuit noted in one of the decisions on which this Court relied, *see Albemarle*, 422 U.S. at 414 n.8, "[t]o require that each employee file a charge with the EEOC and then join in the suit would have a deleterious effect on the purpose of the Act and impose an unnecessary hurdle to recovery for the wrong inflicted." *Bowe v. Colgate-Palmolive Co.*, 416 F.2d 711, 720 (7th Cir. 1969).

Similar reasoning should apply in the context of class actions for copyright infringement. The underlying *rights* of registered and unregistered copyright holders are identical (although, of course, the panoply of remedies available to them differs in some respects, *see supra* at 21 n.5). The ways in which defendants infringed the class members' copyrights do not differ according to whether the copyrights were registered or not. The registered and unregistered works were wrongly included in exactly the same electronic databases, in exactly the same way. The costs of requiring each and every unnamed plaintiff to register every copyright that might have been infringed would far outweigh the benefits to the public provided by registration (particularly given that many of the periodicals or other publications in which the works were included were almost certainly themselves registered under Section 411(a)). The likely result of requiring such registration is that many claims would be left out of any agreement between authors and publishers, either leaving those authors uncompensated for the infringement of their works or creating the possibility that "gaping holes" will be left in the "electronic record of history," *Tasini*, 533 U.S. at 505, by defendants who simply remove freelance works from their databases rather than risk the possibility of future lawsuits.

2. Moreover, in class actions, as in individual litigation, Section 411(a) is a claim-processing rule, rather than a jurisdictional prerequisite. Petitioners are not asserting before this Court unnamed class members' failure to have registered their works as a barrier to their entitlement to recover. *See* Petr. Br. 2-3 (describing petitioners' desire to reach a "global"

settlement that includes nonregistered works). As this Court has emphasized, "there is 'a critical difference between a rule governing subject-matter jurisdiction and an inflexible claim-processing rule.'" *Eberhart*, 546 U.S. at 13 (quoting *Kontrick*, 540 U.S. at 456): even rigid claim-processing rules are subject to waiver.

III. SUPPLEMENTAL JURISDICTION UNDER 28 U.S.C. § 1367 PROVIDES AN ALTERNATIVE BASIS IN THIS CASE FOR EXERCISING JURISDICTION OVER THE INFRINGEMENT CLAIMS OF UNREGISTERED COPYRIGHT HOLDERS.

Even if this Court were to conclude that federal courts cannot exercise original subject-matter jurisdiction over a case brought by the holder of an unregistered copyright in a U.S. work, that conclusion should not end its inquiry. Rather this Court should hold that the federal supplemental jurisdiction statute, 28 U.S.C. § 1367, permitted the district court to exercise jurisdiction over the claims involving unregistered U.S. works in conjunction with its exercising jurisdiction over related claims involving registered works.

A. The Claims Of The Unregistered Copyright Holders Meet The Criteria For The Exercise Of Supplemental Jurisdiction Set Out In 28 U.S.C. § 1367(a).

In *Exxon Mobil Co. v. Allapattah Services*, 545 U.S. 546, 558 (2005), this Court explained that "Section 1367(a) is a broad grant of supplemental jurisdiction"; indeed "[t]he whole point of

supplemental jurisdiction is to allow the district courts to exercise pendent jurisdiction over claims as to which original jurisdiction is lacking." *City of Chicago v. International College of Surgeons*, 522 U.S. 156, 157 (1997). Section 1367(a) identifies three elements for the exercise of supplemental jurisdiction: First, there must be some claim in the "civil action" over which the district court has "original jurisdiction." 28 U.S.C. § 1367(a). Second, the proposed pendent claims must be "so related to" a claim over which the district court has "original jurisdiction that they form part of the same case or controversy." *Id.*. Third, supplemental jurisdiction can "include claims that involve the joinder or intervention of additional parties." *Id.* Finally, district courts cannot exercise supplemental jurisdiction over a claim if "expressly provided otherwise by Federal statute." *Id.*

1. There is no question that the district court in this case had original jurisdiction over the named plaintiffs' claims involving registered works. Those claims clearly fell within the grants of subject-matter jurisdiction in 28 U.S.C. §§ 1331 and 1338(a) and by definition satisfied Section 411(a)'s registration requirement. Thus, the requirement that the federal courts possess original jurisdiction over at least one claim in the plaintiffs' complaint is easily satisfied. *See Exxon*, 545 U.S. at 559 ("If the court has original jurisdiction over a single claim in the complaint, it has original jurisdiction over a 'civil action' within the meaning of § 1367(a)."); *College of Surgeons*, 522 U.S. at 166.

2. The claims of unregistered copyright holders form part of the same case or controversy. To begin,

as respondents have already shown, the Copyright Act provides them with a legally protected interest in their work. 17 U.S.C. § 408(a); *see supra*, at 19. Congress has explained that holders of unregistered copyrights in U.S. works have "a valid cause of action against someone who has infringed [their] copyright." H.R. Rep. 94-1476, at 157; *see supra* at 31.

Under the facts of this case, the claims of registered and unregistered copyright holders are the same. Whether a copyright was registered or not has no bearing on the authors' rights to exclusive control over the distribution or reproduction of their work or the fact that inclusion of their work in petitioners' databases constitutes copyright infringement. This case involves the wholesale inclusion of freelance authors' work in massive electronic databases. Nothing in the record suggests that the defendants considered whether a particular copyright was registered or not in deciding which works to include. In fact, the infringement of registered and unregistered work often occurred in a single transaction – for example, when petitioners who operate databases purchased from the initial publishers the right to include entire issues of their publications containing both freelance work and work whose copyright was owned by the initial publishers (because, for example, it was work-for-hire created by the publishers' own employees). *Cf. Tasini*, 533 U.S. at 489 (noting that electronic databases "contain articles from hundreds of journals (newspapers and periodicals) spanning many years").

If anything, the claims in this case fit even more cleanly within the "same case or controversy" rubric than the claims at issue in *Exxon*. That case

concerned a class of roughly 10,000 Exxon dealers, each of whom presumably had a separate fuel-purchasing contract with the defendant, *see* 545 U.S. at 550, and each of whom might conceivably have been injured in a different way by the challenged practices. Yet, it was sufficient for purposes of supplemental jurisdiction that the plaintiffs alleged Exxon engaged in the same "intentional and systematic scheme" with regard to each of those individual fueling agreements. *Id.* In this case, by contrast, holders of registered and unregistered copyrights are identically situated with respect to *how* their rights have been violated.

3. *Exxon* also establishes that "the presence of additional parties" with claims that fall short of a jurisdictional requirement "does not mean the civil action is outside the purview of § 1367(a)." 545 U.S. at 564. To the contrary, "the last sentence of § 1367(a) expressly contemplates that the court may have supplemental jurisdiction over additional parties." *Id.*[11] Thus, the inclusion of plaintiffs with related claims over whom the district court would otherwise have had no jurisdiction poses no barrier to adjudication of claims involving unregistered copyrights.

4. The court of appeals was clearly wrong to hold that supplemental jurisdiction is available only over state-law claims, and cannot confer power to

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[11] The one exception to this principle contained in Section 1367(b) is inapplicable here because it concerns only cases where the presence of additional parties would destroy the complete diversity requirement of 28 U.S.C. 1332.

adjudicate "jurisdictionally-deficient *federal* claims asserted together with another, jurisdictionally proper claim." Pet. App. 25a-26a. In *Exxon*, this Court observed that the general federal-question jurisdiction statute had an amount-in-controversy requirement until quite recently. "If such a requirement were revived under § 1331," the Court explained, "it is clear beyond peradventure that § 1367(a) provides supplemental jurisdiction over federal-question cases where some, but not all, of the federal-law claims involve a sufficient amount in controversy." 545 U.S. at 562.

Section 1367(a) thus "unambiguously overrules the holding and the result in *Clark [v. Paul Gray, Inc.*, 306 U.S. 583 (1939)]." *Exxon*, 545 U.S. at 562. There, several businesses and individuals joined together in a single lawsuit to challenge a California statute on federal constitutional grounds, each asserting "separate and distinct demands" for relief. 306 U.S. at 589. This Court held that although one corporate plaintiff had pleaded sufficient facts to satisfy the amount-in-controversy requirement, the other plaintiffs had not, and therefore "the suit should be dismissed as to those who fail to show that the requisite amount is involved." *Id.* at 590.

The registration requirement of Section 411(a) cannot in some way be *more* "jurisdictional" than the amount in controversy requirement. Thus, just as Section 1367(a) would have allowed all the plaintiffs in *Clark* to proceed given that their claims were related to the claims of Paul Gray, Inc., so too, all the plaintiffs in this case should be allowed to proceed, given that their claims are related to the claims of the plaintiffs who have registered their copyrights.

B. Section 411(a) Does Not Constitute A Provision "Expressly Provid[ing] Otherwise" With Respect To The Exercise Of Supplemental Jurisdiction.

1. As respondents have already explained, Section 411(a)'s registration provision does not "speak in jurisdictional terms." *Zipes v. Trans World Airlines, Inc.*, 455 U.S. 385, 394 (1982). *See supra* at 23-26. Although this Court has not directly interpreted Section 1367(a)'s "expressly provided" provision, it has construed nearly identical language in the federal removal statute, 28 U.S.C. § 1441(a), which permits removal from state court to federal court of any action in which the federal courts would have original jurisdiction "except as otherwise expressly provided by Act of Congress." 28 U.S.C. § 1441(a). Its construction there should set to rest any argument that Section 411(a) operates to limit the supplemental jurisdiction that would otherwise exist over claims involving unregistered copyrights.

In *Breuer v. Jim's Concrete of Brevard*, 538 U.S. 691 (2003), this Court emphasized the legal significance of the word "expressly," reasoning that "expressly" must be understood to require "something more than any verbal hook for an argument." 538 U.S. 691, 695 (2003). Thus, where there was "no mention of removal, let alone of [prohibiting removal]" in the statute in question and where the only possible "express provision" was an ambiguous statement about "maintaining" actions in state court, the "expressly provided" qualification in the removal statute was not satisfied. *Id.* at 694-95. The Court explained that "if an ambiguous term like 'maintain' qualified as an express provision for purposes of [the

removal statute], then the requirement would call for nothing more than a 'provision,'" *id.* at 695-96. Accordingly, when Congress intends to "expressly provide" for an exception to the removal statute it must do so in "unmistakable terms." *Id.* at 697 (citation omitted).

The "expressly provided" qualification in Section 1367(a) should be construed similarly. As the D.C. Circuit noted in *Lindsay v. Government Employees Insurance Co.*, 448 F.3d 416 (D.C. Cir 2006), Congress clearly knows how to expressly exclude claims from the operation of Section 1367(a) when it wishes to do so. In the Violence Against Women Act, for example, Congress stated explicitly that "section 1367 does not 'confer on the courts of the United States jurisdiction over any State [domestic] law claim.'" 42 U.S.C. § 13891(e)(4). Thus, when "Congress intends to divest federal courts of supplemental jurisdiction, it does so expressly—as section 1367(a) requires." 488 F.3d at 422. Section 411(a) simply does not provide, in "unmistakable terms" – indeed, in any terms – for an exception to the supplemental jurisdiction statute.

2. Beyond the plain textual argument against treating Section 411(a)'s silence as if it somehow "expressly provid[es]" an exception to Section 1367(a)'s broad grant of authority, there is also no policy rationale for treating Section 411(a) as exempting the claims involving unregistered copyrights from the operation of the supplemental jurisdiction provision. *Cf. Exxon*, 546 U.S. at 555 (weighing the appropriateness of supplemental jurisdiction in light of the purpose behind the jurisdictional requirement).

The only risk that permitting supplemental jurisdiction here poses to the policies behind Section 411(a) comes from the possibility that allowing holders of unregistered U.S. works to vindicate their copyrights as part of the plaintiff class will decrease somewhat the incentive individual authors would otherwise have to register their works so that they could sue for their infringement. To the extent that it decreases that incentive, it may well correspondingly decrease the probability that individual authors will deposit copies of their work with the Library of Congress – a requirement of the registration process, 17 U.S.C. § 407(a). But many of the works at issue in this litigation were likely registered by the initial periodical publishers with whom the class members directly contracted when those publishers registered the publication in which the class members' works initially appeared. More pointedly, 17 U.S.C. § 704(d) authorizes the Registrar of Copyrights and the Librarian of Congress to destroy published records after an amount of time "considered practical and desirable." 17 U.S.C. § 704(d). This authorization reflects the practical conclusion that an article's publication can also establish a public record.[12]

3. In contrast to the speculative policy implications of finding supplemental jurisdiction in

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[12] In fact, the discretion to destroy registered works (and the possibility that such destruction has already happened) leads to the ironic result that published works are *better* protected by the publishers and databases subject to this litigation than by the Library of Congress.

this case, the negative policy implications of refusing to permit supplemental jurisdiction are quite concrete. Congress enacted Section 1367(a) as part of the Judicial Improvements Act of 1990 "to promote . . . the just, speedy, and inexpensive resolution of civil disputes in our Nation's Federal Courts." S. REP. NO. 101-416, 1990 U.S.C.C.A.N. 6802, 6804. Congress was troubled by the "[h]igh costs, long delays and insufficient judicial resources" that plagued the federal system. *Id.* The broad availability of supplemental jurisdiction was intended to enable litigants "to deal economically – in single rather than multiple litigation – with related matters." H.R. REP. NO. 101-734, 1990 U.S.C.C.A.N. 6860, 6874. Yet, as a result of the court of appeals' decision in this case, the parties will be relegated to the same drawn-out and expensive process from which supplemental jurisdiction was intended to save them.

IV. THIS COURT SHOULD NOT RESOLVE THIS CASE ON THE GROUNDS THAT IT INVOLVES SIMPLY APPROVAL OF A SETTLEMENT RATHER THAN EXERCISE OF ADJUDICATORY JURISDICTION.

Both before the court of appeals and in this Court, petitioners have argued, relying on *Matsushita Elec. Indus. Co. v. Epstein*, 516 U.S. 367 (1996), that this case can be resolved by applying the principle that "courts may approve settlements that release claims they could not have tried for want of jurisdiction." Petr. Br. 48. Respondents do not, of course, quarrel with the basic principle. But even in *Matsushita* itself, this Court felt itself required to ask

whether the federal jurisdictional statute at issue there – Section 27 of the Securities Exchange Act of 1934, 15 U.S.C. § 78aa – embodied policies preventing giving preclusive effect to the settlement approval. *See* 516 U.S. at 380-85. So before deciding whether the district court had authority to approve the settlement agreement here, this Court will still need to interpret Section 411(a) to see whether it affirmatively denies district courts power over unregistered copyright claims in a way that would make it inappropriate for federal courts to give their imprimatur to a settlement.

There is another important reason why, given the nature of this case, the Court should reach the question whether there was jurisdiction over the claims involving unregistered U.S. works. That question bears in important respects on the issue the court of appeals will have to resolve if this Court were to reverse the judgment – namely, whether the proposed settlement treats unregistered copyright holders fairly.[13]

If Section 411(a) is a jurisdictional prerequisite, and courts may dispose of unregistered claims only in

---

[13] As a preliminary matter, it is unclear whether resolving this case on *Matsushita* grounds actually answers the Question Presented articulated by this Court. Rather than determining whether or not Section 411(a) restricts the jurisdiction of the federal courts, a decision relying on *Matsushita* would imply that in the context of settlement, that question is irrelevant. Moreover, failing to resolve the question presented after seeking and receiving full briefing and oral argument would forfeit an opportunity for this Court to resolve a critical and recurring question in copyright law.

the context of settlement, then those claims are, as a practical matter, less economically valuable than if plaintiffs can use either the class-action device or supplemental jurisdiction to seek adjudication of unregistered copyright infringement claims as long as the lead plaintiff can invoke the court's jurisdiction over his or her registered works. If the only ways holders of unregistered U.S. works can receive compensation for infringement are through defendants' acts of grace or through undertaking the costly and time-consuming process of obtaining registration and then undertaking the costly and time-consuming process of litigating their claims on an individual basis, then a settlement that offers them even a pittance may seem acceptable. On the other hand, if Section 411(a) does not restrict subject matter jurisdiction and either class-action litigation or supplemental jurisdiction is available, then unregistered claims have a higher practical value since the class members could proceed to trial and receive actual damages even over a defendant's objection. Given that possibility, a settlement might be unreasonable if it offered holders of unregistered copyrights only nominal damages. In short, the fairness of the proposed settlement in this case depends in part on the available alternatives to settlement and the economic value of the Category C claims. A decision that does not squarely resolve the jurisdictional question will leave in place an erroneous court of appeals ruling that may lead that court to undervalue respondents' infringement claims in assessing the fairness of the settlement.

CONCLUSION

For the foregoing reasons, the judgment of the court of appeals should be reversed and the case should be remanded for the court of appeals to address the fairness of the proposed settlement.

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June 1, 2009

RESPONSE

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No. 08-103

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In The
Supreme Court of the United States

REED ELSEVIER INC., et al.,

Petitioners,

v.

IRVIN MUCHNICK, et al.,

Respondents.

On Petition For Writ Of Certiorari To The United States Court Of Appeals For The Second Circuit

RESPONSE TO PETITION FOR WRIT OF CERTIORARI

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ADDITIONAL QUESTION PRESENTED

Whether 28 U.S.C. § 1367(a) provides supplemental jurisdiction for claims of infringement of unregistered copyrights when the district court has original jurisdiction of an infringement action for a registered copyright and the claims for unregistered copyrights are so related to the action that they form part of the same case or controversy.

TABLE OF CONTENTS

	Page
TABLE OF AUTHORITIES	iii
STATUTORY PROVISION INVOLVED	1
STATEMENT OF THE CASE	1
ARGUMENT	3
I. Objectors Support Certiorari on Question One	3
II. Objectors Oppose Certiorari on Question Two	3
III. An Additional or Clarified Question Should Be Presented	4
IV. The Decision Seriously Misreads § 1367(a)	5
A. Section 1367(a) Is Not Limited to State-Law Claims	5
B. The Decision Misreads "Expressly Provided Otherwise"	6
C. Finding § 411(a) Forecloses Supplemental Jurisdiction Is Inconsistent with *Exxon* and *College of Surgeons*	8
D. There Are Good Reasons to Review This Question	9
V. Objectors Are Concerned With Inadequate Representation for the Class Before the Court	9
CONCLUSION	12

TABLE OF AUTHORITIES

Page

CASES

Amchem Prods. Inc. v. Windsor, 521 U.S. 591 (1997) 10

Breuer v. Jim's Concrete of Brevard, Inc., 538 U.S. 691 (2003) 7, 8, 9

City of Chicago v. International College of Surgeons, 522 U.S. 156 (1997) 8, 9

Exxon Mobil Corp. v. Allapattah Services, Inc., 545 U.S. 546 (2005) 5, 6, 7, 8, 9

General Inv. Co. v. N.Y. Central R.R., 271 U.S. 228 (1926) 3

Handberry v. Thompson, 446 F.3d 335 (2d Cir. 2006) 6, 7

In re SCOR Holding (Switzerland) AG Litigation, 537 F. Supp. 2d 556 (S.D.N.Y. 2008) 6

Lindsay v. Government Employees Ins. Co., 448 F.3d 416 (D.C. Cir. 2006) 7

Lowery v. Alabama Power, 483 F.3d 1184 (11th Cir. 2007) 7

National Super Spuds, Inc. v. New York Mercantile Exchange, 660 F.2d 9 (2d Cir. 1981) 11

New York Times Co. v. Tasini, 533 U.S. 483 (2001) 3, 4

Ortiz v. Fibreboard Corp., 527 U.S. 815 (1999) 10, 11

TABLE OF AUTHORITIES – Continued

Page

Steel Co. v. Citizens for Better Environment, 523 U.S. 83 (1998) 3

TBK Partners, Ltd. v. Western Union Corp., 675 F.2d 456 (2d Cir. 1982) 11

STATUTES

17 U.S.C. § 101 2

17 U.S.C. § 411(a) 2, 6, 7, 8

28 U.S.C. § 1332 8

28 U.S.C. § 1338 8

28 U.S.C. § 1367(a) ..... *passim*

28 U.S.C. § 1441(a) 7, 8

29 U.S.C. § 216(b) 7

RULES

Fed. R. Civ. P. 23 ..... 3, 10, 11

Sup. Ct. R. 10 9

STATUTORY PROVISION INVOLVED

28 U.S.C. § 1367(a):

> (a) Except as provided in subsections (b) and (c) or as expressly provided otherwise by Federal statute, in any civil action of which the district courts have original jurisdiction, the district courts shall have supplemental jurisdiction over all other claims that are so related to claims in the action within such original jurisdiction that they form part of the same case or controversy under Article III of the United States Constitution. Such supplemental jurisdiction shall include claims that involve the joinder or intervention of additional parties.

STATEMENT OF THE CASE

The scope of the settlement is enormous. It includes every published English language work, regardless of where published, that has been on a database since 1997 without the copyright owner's permission. Pet. App. 55a-56a. It is not limited to "freelance" contributors to magazines and newspapers, nor to the United States. The class size is unknown. There are over 26,000 publications covered by the settlement.[1] Many are not periodicals. Thirty-five

[1] There is a list on the settlement website. It is the list "original" http://cert.gardencitygroup.com/edb/fs/publications.

encyclopedias are included. The list includes many foreign publications: e.g., Aberdeen Evening Express, Scotland; African Eye News Service, Nelspruit South Africa; Agence France Presse English Wire; Asahi Evening News; China Daily (English language); Daily Champion (Nigeria); Helsingin Sanomat; Moscow Times; Napi Gazdasag, Hungary; Saigon Times Daily; and Southern News (Queensland, Australia).

Two named plaintiffs (Hayman & Lacey) are British citizens and no registration for their works is alleged. (A107, 148, 167)[2] Registration is only required for "U.S. works." 17 U.S.C. § 101, 411(a). Published works are U.S. works if first published in the U.S. or published simultaneously in the U.S. and most treaty countries. Otherwise they are generally not U.S. works. § 101. The decision below ("decision") does not prevent a class action for non-U.S. works. Pet. App. 12a n. 1.

A primary focus of the objections is lack of adequate representation for unregistered works. Whether or not registration is required, all unregistered works are in Category C and subject to the "C-reduction." Pet. App. 9a, 45a n. 5. While the objections address "insufficient payments,"[3] the more fundamental issue is that the C-reduction could lead to those claims being released, but receiving no compensation. The settlement specifies a unitary

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[2] References to Axxx are the Joint Appendix on appeal.

[3] Petition 8.

class without subclasses. Judge Walker's dissent noted this as a serious problem. *Id.*

ARGUMENT

I. Objectors Support Certiorari for Question One

Objectors support the petition on question one. If certiorari is granted, objectors will argue this power is granted under Fed. R. Civ. P. 23 and is not an exercise of jurisdiction because the district court does not "adjudicate" those claims. *Steel Co. v. Citizens for Better Environment*, 523 U.S. 83, 89 (1998) (subject-matter jurisdiction is the power to adjudicate the case); *General Inv. Co. v. N.Y. Central R.R.*, 271 U.S. 228, 230 (1926) (jurisdiction means power to consider the merits of a suit and render a binding decision thereon).

II. Objectors Oppose Certiorari on Question Two

There is no legal issue in question two. The decision addresses jurisdiction and only that issue is appropriate for review. Nothing in *Tasini* guides publishers and authors to expect they could resolve the issue of continued use of infringed works by a world-wide class action settlement. *New York Times Co. v. Tasini*, 533 U.S. 483, 505-506 (2001). To the contrary, the *Tasini* opinion suggests different models

of addressing the problem, drawn from both domestic and foreign experience. *Id.*

Certiorari for question two might implicate one of the objections. That objection concerns the settlement's grant of licenses to all defendants (including subsidiaries and licensees), in perpetuity, with full right to sublicense, for all class member copyrights, whether in registered or unregistered works, including the copyrights of class members who receive no notice of the settlement and/or file no claim, so long as they do not opt out of the action.[4] (See, Brief For Objectors-Appellants, pp. 45-52.) Below and in the petition the parties euphemistically refer to the license as a release of "future claims." On other occasions, including an amendment to the settlement agreement, they call it a license. (A1102)

III. An Additional or Clarified Question Should Be Presented

Question one describes the power to approve a settlement that releases claims outside the federal courts' subject matter jurisdiction. Counsel for defendants has advised that they intend question one to also present, as a subsumed or fairly included issue, the question of supplemental jurisdiction under 28 U.S.C. § 1367(a). Objectors urge that certiorari also

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[4] Class members filing a claim had a right to disallow that license in the claims process. Objectors showed that this is not an adequate remedy.

be granted on a third question addressing § 1367(a) supplemental jurisdiction, to insure that it is clearly presented.

This is the proposed question:

> 3. Whether 28 U.S.C. § 1367(a) provides supplemental jurisdiction for claims of infringement of unregistered copyrights when the district court has original jurisdiction of an infringement action for a registered copyright and the claims for unregistered copyrights are so related to the action that they form part of the same case or controversy.

Petitioners' argument confirms their intention to present this question. It briefly argues that § 1367(a) provides for supplemental jurisdiction of claims for unregistered works. Petition 25-26. However, question one implies that there exists no possible basis for jurisdiction over the unregistered claims except the power of district courts to approve settlements releasing claims outside their subject matter jurisdiction.

IV. The Decision Seriously Misreads § 1367(a)

A. Section 1367(a) Is Not Limited to State-Law Claims

The decision holds that § 1367(a) is limited to supplemental jurisdiction for "state-law claims." Pet. App. 25a-26a. The holding in *Exxon Mobil Corp. v. Allapattah Services, Inc.*, 545 U.S. 546 (2005) with regard to state-law claims in diversity cases is stated.

Id. The next sentence says, with emphasis, the Court has never applied § 1367(a) to federal claims. The discussion concludes with citation to an earlier statement of the Circuit that § 1367(a) provides supplemental jurisdiction for "certain state-law claims." *Id.* (quoting *Handberry v. Thompson,* 446 F.3d 335, 345 (2d Cir. 2006)). This is certainly incorrect in light of the statute's plain language, and the *Exxon* decision. This holding has already been followed in a district court. *In re SCOR Holding (Switzerland) AG Litigation*, 537 F. Supp. 2d 556, 569 n. 19 (S.D.N.Y. 2008).

Nothing in the text of § 1367(a) excludes federal claims. To the contrary, the statute states that it applies "in any civil action of which the district courts have original jurisdiction." § 1367(a). In *Exxon* the Court described that § 1367 would apply to the hypothetical revival of an earlier amount-in-controversy requirement for federal question jurisdiction. *Exxon,* 545 U.S. at 562. This is a strong indication that § 1367(a) supports assuming supplemental jurisdiction over federal claims in the same case or controversy that do not come within the court's original jurisdiction.

B. The Decision Misreads "Expressly Provided Otherwise"

The decision holds that § 411(a) is a statute that "expressly provide[s] otherwise" to a grant of supplemental jurisdiction for claims on unregistered copyrights. Pet. App. 26a-27a. The decision notes that

§ 411(a) does not mention § 1367(a) but reiterates an earlier holding of the Circuit that a "statute need not expressly refer to *§ 1367(a)* to curtail its reach." Pet. App. 27a (citing *Handberry*, 436 F.3d at 62). The decision does not address what "expressly" requires in this circumstance.

The petition accurately describes that this cannot be reconciled with *Breuer v. Jim's Concrete of Brevard, Inc.*, 538 U.S. 691, 694 (2003). Petition, 25-26. The Court of Appeals for the District of Columbia relied on *Breuer* when it considered the "expressly provided" exception of § 1367(a). *Lindsay v. Government Employees Ins. Co.*, 448 F.3d 416 (D.C. Cir. 2006).[5] It held that 29 U.S.C. § 216(b) did not amount to an express prohibition of supplemental jurisdiction, observing that it not only did not expressly prohibit supplemental jurisdiction, it did not mention supplemental jurisdiction at all. 448 F.3d at 421-422. *Lindsay* also took note of the observation in *Breuer* that examples of Congress expressly prohibiting removal underscores the need to take the "expressly" requirement seriously. *Id.* (citing *Breuer*, at 696); *see also*, *Lowery v. Alabama Power*, 483 F.3d 1184, 1206 n. 51 (11th Cir. 2007).

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[5] This reliance is particularly justified by the observation in *Exxon* that portions of § 1367(a) and § 1441(a) have a "striking similarity." *Exxon* at 563.

C. Finding § 411(a) Forecloses Supplemental Jurisdiction Is Inconsistent with *Exxon* and *College of Surgeons*

Exxon strongly suggests that the "expressly provided otherwise" language does not reference § 411(a). There are compelling similarities between *Exxon* and the case at hand. There are two parts to diversity jurisdiction under 28 U.S.C. § 1332. The first is diversity of state citizenship (§ 1332(a)(1)-(4)), and the second, a limitation on the first, is an amount-in-controversy requirement. § 1332(a). There are two parts to jurisdiction for infringement actions. The first is a general grant for copyright related matters. 28 U.S.C. § 1338. The second, a limitation on the first, requires registration of the work(s) upon which the plaintiffs are suing before the institution of the infringement action. § 411(a).

Exxon never considers the possibility that the amount-in-controversy requirement of § 1332 is a statute that "expressly provide[s] otherwise" to the supplemental jurisdiction granted by § 1367(a). While not an explicit holding, it is strong support for the argument that § 411(a) does not "expressly provide otherwise" to prevent supplemental jurisdiction. Two years earlier, in *Breuer*, the Court read almost identical language in § 1441(a) as requiring a clear expression of intent to foreclose removal. *Breuer* at 494. No such clear expression is found in § 411(a).

Exxon built on a solid foundational analysis of § 1367(a) in *City of Chicago v. International College of*

Surgeons, 522 U.S. 156 (1997). While the supplemental jurisdiction issue will not arise as frequently concerning federal claims as it does for state-law claims, the principles of those cases suggest that § 1367(a) is properly read to allow supplemental jurisdiction here.

D. There Are Good Reasons to Review This Question

This question fits several of the considerations of Sup. Ct. Rule 10. The decision reads a limitation to state-law cases into a broad congressional grant of jurisdiction without any analysis or support for that reading, and its view is already being followed in the district courts. The decision on § 1367(a)'s "expressly provided otherwise" conflicts with decisions by two other circuits. The treatment of "expressly provided otherwise" is contrary to the Court's analysis of an almost identical provision in *Breuer* and inconsistent with *Exxon* and *College of Surgeons*.

V. Objectors Are Concerned With Inadequate Representation for the Class Before the Court.

Objectors argue on appeal that the class representatives are not adequate representatives of the settlement class for several reasons.[6] The most

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[6] While three author's organizations are plaintiffs below, and respondents on appeal, they are not class representatives for the settlement. They do not have any claims for damages,

(Continued on following page)

dramatic is the "C-reduction." Pet. App. 9a, 45a n. 5. Objectors are deeply troubled that the issue of supplemental jurisdiction was not clearly raised by the petition, was not raised in a petition by the plaintiffs, and was not addressed at all in the plaintiffs' response. Supplemental jurisdiction is of enormous importance. Contrasted to the other possible grounds of jurisdiction, it is the one ground that does not rely on the defendants' willingness to offer compensation. It would place owners of unregistered U.S. works on an equal footing with the owners of non-U.S. works. Plaintiffs have a fiduciary duty to the class, both as defined in the settlement and as alleged in the Complaint, to press this issue.

The Court has twice noted that it is appropriate for a court of appeal to reach dispositive Rule 23 issues before complex jurisdictional questions. *Amchem Prods. Inc. v. Windsor*, 521 U.S. 591, 612 (1997); *Ortiz v. Fibreboard Corp.*, 527 U.S. 815, 831 (1999). Objectors failed to raise this point when the panel requested letter briefs on jurisdiction, but they raised it in their petition for rehearing. They asked the panel to vacate the decision and reach the Rule 23 issues first. (Objectors-Appellants' Petition For Rehearing 1-2). Judge Walker's comment demonstrates that inadequate representation presents a serious issue. While the Court did not mention it in *Amchem*

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and only alleged to represent their members to seek an injunction

or *Ortiz*, one salutary reason for that approach is that you do not have the possibility of an inadequate representative continuing to conduct the representation of the class on the jurisdiction questions.

An adequate representative is at the foundation of the Rule 23 power of district courts to approve settlements that release claims for which the court does not itself have jurisdiction. This was recognized in an early articulation of the Rule 23 power over claims outside the court's jurisdiction.

> We recognize, however, that in fulfilling the court's responsibility to scrutinize the fairness of a class action as required by Fed.R.Civ.P. 23(e), special care must be taken to ensure that the release of a claim not asserted within a class action or not shared alike by all class members does not represent an "advantage to the class . . . by the uncompensated sacrifice of claims of members, whether few or many."

TBK Partners, Ltd. v. Western Union Corp., 675 F.2d 456, 461 (2d Cir. 1982) (quoting *National Super Spuds, Inc. v. New York Mercantile Exchange*, 660 F.2d 9, 19 (2d Cir. 1981). The objectors do not represent the class, nor do they have the resources to do so. However, they believe that they are acting in the interests of the class. They raise this point for the Court's consideration in deciding whether to accept the objectors' proposed restatement of the questions presented.

CONCLUSION

Objectors urge the Court to grant the petition for question one, deny the petition on question two, and grant certiorari for proposed question three.

Respectfully submitted,

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REPLY BRIEF

(15)

Supreme Court, U.S
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No. 08-103

IN THE

Supreme Court of the United States

REED ELSEVIER INC., THOMSON CORPORATION, DIALOG CORPORATION, GALE GROUP, INC., WEST PUBLISHING COMPANY, INC., DOW JONES & COMPANY, INC., DOW JONES REUTERS BUSINESS INTERACTIVE, LLC, KNIGHT RIDDER INC., KNIGHT RIDDER DIGITAL, MEDIASTREAM, INC., NEWSBANK, INC., PROQUEST COMPANY, UNION-TRIBUNE PUBLISHING COMPANY, NEW YORK TIMES COMPANY, COPLEY PRESS, INC., AND EBSCO INDUSTRIES, INC.,

Petitioners,

– against –

IRVIN MUCHNICK, ABRAHAM ZALEZNIK, CHARLES SCHWARTZ, JACK SANDS, TODD PITOCK, JUDITH STACEY, JUDITH TROTSKY, CHRISTOPHER GOODRICH, KATHY GLICKEN AND ANITA BARTHOLOMEW,

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Respondents,

ON WRIT OF CERTIORARI TO THE
UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

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TABLE OF CONTENTS

ARGUMENT 1

I. Amicus Ignores This Court's Recent Jurisdictional Rulings 1

II. All the Asserted Public Policy Benefits of Section 411(a)'s Registration Requirement Exist Regardless of Whether the Rule is "Jurisdictional" or a Mandatory Rule. 3

III. The Settling Parties Are Not Judicially Estopped Based on Statements Made in the Context of Settlement Communications Protected by Rule 408 of the Federal Rules of Evidence or Statements Made to the Court in Defending the Fairness and Adequacy of the Settlement 4

IV. Amicus' Section 1367(a) Argument Fails..... 6

V. The Attacks on Plaintiffs' Adequacy of Representation are Beyond the Scope of the Court's Grant of Certiorari, and are Meritless 7

CONCLUSION..... 11

TABLE OF CITED AUTHORITIES

Cases

Allapattah Services, Inc. v. Exxon Corp.,
333 F.3d 1248 (11th Cir. 2003) 6, 7

Arbaugh v. Y&H Corp.,
546 U.S. 500 (2006) 2

Detroit v. Grinnell Corp.,
495 F.2d 448 (2d Cir. 1974) 5

Finley v. U.S.,
490 U.S. 545 (1989) 7

Florida Trailer & Equip. Co. v. Deal,
284 F.2d 567 (5th Cir. 1960) 6

In re Holocaust Victim Assets Litig.,
413 F.3d 183 (2d Cir. 2001) 8

Isby v. Bayh,
75 F.3d 1191 (7th Cir. 1996) 6

Mine Workers v. Gibb,
383 U.S. 715 (1966) 7

Steel Co. v. Citizens for Better Environment,
523 U.S. 83, 91 (1998) 2

Statutes

17 U.S.C. § 411 ..... *passim*

17 U.S.C. § 412 9

17 U.S.C. § 504 9

28 U.S.C. §1331 1

28 U.S.C. § 1338 1

28 U.S.C. § 1367 ..... 1, 6, 7

Federal Rules

FED. R. CIV. P. 12 4

FED. R. EVID. 408(a) 4, 5

ARGUMENT

I. Amicus Ignores This Court's Recent Jurisdictional Rulings

The Brief of Court-Appointed Amicus Curiae in Support of the Judgment Below ("Amicus") fails to grapple with this Court's recent jurisdictional rulings and does not address with precision the question posed by this Court, i.e., does section 411(a) of Title 17 "restrict the subject matter jurisdiction" that federal courts possess over copyright actions under sections 1331 and 1338 of Title 28. Indeed, other than on page 1 of the brief under "Jurisdiction," the brief of Amicus ignores the existence of 28 U.S.C. § 1338.

Amicus also ignores the difference between a party's lack of standing and a court's lack of subject matter jurisdiction, and repeatedly and inaccurately states that the Pogrebin Respondents (plaintiffs) conceded that section 411(a) is jurisdictional. (Amicus Br. 8, 10, 12, 14, 57, 58, 59, 60 and 61). On the contrary, plaintiffs pleaded in their Consolidated Amended Complaint that the Court had subject matter jurisdiction over this action under 28 U.S.C. §§ 1331, 1338 and 1367. (JA 81). Plaintiffs never conceded (and do not believe) that the court lacked subject matter jurisdiction; instead, in explaining the settlement to the district court, plaintiffs acknowledged the substantial litigation risk that authors of unregistered works would be found to lack standing under section 411(a). Plaintiffs explained that this risk justified a lower settlement payment for unregistered works than for registered

works. (*See* Amicus Br. 1a-2a, 13a, 17a-18a, 68a-69a).

While Amicus cites and even quotes plaintiffs' position on **standing** (*see* Amicus Br. 8, 9, 11), Amicus suggests that plaintiffs made admissions as to **jurisdiction** (*see id.* 14, 57-58), thus conflating standing with subject matter jurisdiction and indulging in the same "profligate" use of the term "jurisdiction" that this Court criticized in *Arbaugh v. Y&H Corp.*, 546 U.S. 500 (2006): "This Court, no less than other courts, has sometimes been profligate in its use of the term [jurisdiction]." *Id.* at 510.[1]

Amicus' reliance on strings of cases referring to section 411(a) as "jurisdictional," without analyzing whether section 411(a) is *subject matter* jurisdictional as opposed to jurisdictional in the sense of a mandatory rule or standing requirement, is not helpful to an analysis of the question posed by this Court in its grant of certiorari.

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[1] Similarly, rather than acknowledging that the phrase "drive-by jurisdictional rulings" was used by this Court in *Arbaugh v. Y&H Corp.*, 546 U.S. 500, 511 (2006) and *Steel Co. v. Citizens for Better Environment*, 523 U.S. 83, 91 (1998), Amicus suggests that Petitioners coined the phrase. (Amicus Br. 38).

II. All the Asserted Public Policy Benefits of Section 411(a)'s Registration Requirement Exist Regardless of Whether the Rule is "Jurisdictional" or a Mandatory Rule.

Amicus asserts that section 411(a)'s registration requirement fosters an array of public policy benefits: supporting a national registration system that publicly identifies copyright holders; sheltering the courts from a deluge of minor infringement claims; shielding defendants from "frivolous claims that curb expression"; and sustaining the Library of Congress. (Amicus Br. 45). Amicus fails to acknowledge, however, that these same benefits will flow if section 411(a) is determined to be a mandatory, but not subject matter jurisdictional, statute. If it is mandatory that district courts dismiss claims concerning unregistered works upon the motion of a defendant, the same public benefits advanced by section 411(a) will be served.

Amicus suggests that section 411(a) should be determined to be subject matter jurisdictional so that courts will *sua sponte* dismiss cases before defendants plead. Amicus asserts that, in contrast, a "waivable condition requires the defendant to answer the complaint ***and*** move to dismiss," and says (without support) that Congress "concluded that authors, publishers, and other potential defendants should not have to answer infringement claims that have not stood the test of registration." (Amicus Br. 54 (emphasis added)).

However, a defendant is not required to file an answer in order to dismiss a claim. Under Rule 12 of the Federal Rules of Civil Procedure, a defendant can simply file a motion to dismiss, asserting that the plaintiff has not alleged registration. No answer need be filed. Moreover, federal courts rarely dismiss complaints on their own motion before defendants take some action in the case.

In those few cases where a defendant chooses to settle claims that include unregistered works rather than move to dismiss, defendants are recognizing other valid concerns. In this case, defendants recognized that this Court's *Tasini* ruling meant that they were likely infringing the copyrights of freelance authors and that a remedy was needed.

III. The Settling Parties Are Not Judicially Estopped Based on Statements Made in the Context of Settlement Communications Protected by Rule 408 of the Federal Rules of Evidence or Statements Made to the Court in Defending the Fairness and Adequacy of the Settlement.

Amicus asserts that statements made in connection with the settlement should be used to judicially estop the parties from arguing here that section 411(a) does not deprive courts of subject matter jurisdiction. (Amicus Br. 57-58). This is a very curious, and specious, argument. It suggests that the determination as to whether a court has

subject matter jurisdiction should be based on lawyers' arguments in settlement discussions and in defending the fairness of a settlement. There is, of course, no authority for the proposition, and Amicus has cited none.

Amicus' argument also contravenes Rule 408(a) of the Federal Rules of Evidence, which provides that statements made in connection with settlement are not admissions. Moreover, Amicus ignores the procedural requirement that, in order to obtain court approval for a proposed class action settlement, parties are required in the Second Circuit to explain why the settlement is fair in light of the risks of litigation. *See Detroit v. Grinnell Corp.*, 495 F.2d 448, 455 (2d Cir. 1974) ("The proposed settlement cannot be judged without reference to the strength of plaintiffs' claims"). In this case, plaintiffs fulfilled that obligation by explaining, among other things, that the claims of authors of unregistered works were at risk of being dismissed under section 411(a) for lack of standing.

Amicus suggests that, in settling cases, class representatives and counsel should be somehow omniscient and fashion relief with perfect knowledge of how courts will rule in the future, and that those who do not predict the future are somehow "inadequate." (*See* Amicus Br. 61-62). In fact, parties settle cases by weighing risks as they exist at the time of settlement. Similarly, courts ruling on the fairness of class action settlements must determine whether the settlement is fair as of the time it was made. Neither the parties nor the courts can predict the future, and rulings issued after a

settlement has been reached cannot be used to argue that a settlement made at an earlier time was unfair because it did not predict such ruling. *See Isby v. Bayh*, 75 F.3d 1191, 1197 (7th Cir. 1996); *Florida Trailer & Equip. Co. v. Deal*, 284 F.2d 567, 571 (5th Cir. 1960).[2]

IV. Amicus' Section 1367(a) Argument Fails.

Amicus gives short shrift to 28 U.S.C. § 1367(a), misapprehending its scope. Amicus conclusorily asserts that "*Allapattah* does not allow district courts to release class action claims that, like the ones in this action, stem from thousands of unrelated controversies falling outside the court's jurisdiction," even while Amicus acknowledges that section 1367(a) grants supplemental jurisdiction over all claims that "'are so related to claims in the action within [the court's] original jurisdiction that they form part of the same case or controversy under Article III of the United States Constitution,'" (Amicus Br. 67-68) (alteration in amicus brief).

However, in *Allapattah*, this Court ruled that the district court (and the affirming Eleventh Circuit Court of Appeals) had properly exercised supplemental jurisdiction over the state law claims of over 10,000 current and former Exxon dealers in 35 states who alleged that Exxon had breached its

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[2] It is for this reason that the Muchnick Respondents' argument at 44-46 of their brief fails. The fairness of the settlement here must be judged in light of the risks that existed as of the time it was finally approved by the district court, not in hindsight based on later court rulings.

dealer agreement contracts with them by overcharging for fuel purchases. *See Allapattah Services, Inc. v. Exxon Corp.*, 333 F.3d 1248, 1251-52 (11th Cir. 2003), *aff'd*, 545 U.S. 546 (2005).

Just as the thousands of state law contract claims in the *Allapattah* class action constituted a single case or controversy under section 1367(a)'s "broad grant of supplemental jurisdiction," 545 U.S. at 558, the federal copyright claims of freelance authors whose works were digitized and shown in national databases similarly constitute a single case or controversy within the meaning of section 1367(a), because these claims "derive from a common nucleus of operative fact." *See Finley v. U.S.*, 490 U.S. 545, 549 (1989) (citing *Mine Workers v. Gibb*, 383 U.S. 715, 725 (1966)). Section 1367(a) therefore does apply to the claims asserted in this class action.

V. The Attacks on Plaintiffs' Adequacy of Representation are Beyond the Scope of the Court's Grant of Certiorari, and are Meritless.

Amicus, Amici Curiae Computer and Communications Industry Association & NetCoalition ("CCIA"), and the Muchnick Respondents make inaccurate arguments about the fairness of the settlement, although this issue has nothing to do with the narrow jurisdictional question *sub judice*. (Amicus Br. 61-62; CCIA Br. 8-10; Muchnick Br. 7-8, 44-46.) All question plaintiffs' adequacy to represent the settlement class because the class includes authors of only registered works, authors of only unregistered works, and authors of

both registered and unregistered works. All suggest these asserted "sub-classes" of authors required separate representation.

Sub-classes were neither necessary nor appropriate here. The Representative Plaintiffs authored unregistered as well as registered works, all of which were reproduced by the databases. Plaintiff Letty Pogrebin, for example, has written hundreds of freelance articles in newspapers and magazines, and registered copyright in only 21 such articles. (JA 50-51 ¶ 8(a)-(d)). Many of the other 22 Representative Plaintiffs claimed both registered and unregistered works as well; twelve Representative Plaintiffs alleged infringement with respect to a single registered work; and two Representative Plaintiffs were British writers who did not register any of their works (asserting Berne Convention jurisdiction). (Corrected Brief for Plaintiffs-Appellees filed July 7, 2006 in Second Circuit, at 34-35). The Representative Plaintiffs and absent class members thus shared a common interest in establishing liability for the unauthorized electronic use of their freelance works, and in maximizing the settlement amount not only as a whole but as to each tier in the plan of allocation.

Moreover, it is appropriate to tailor plans of allocation to reflect the relative strengths and weaknesses of claims. *In re Holocaust Victim Assets Litig.*, 413 F.3d 183 (2d Cir. 2001) (per curiam) ("Any allocation of a settlement of this magnitude and comprising such different types of claims must be based, at least in part, on the comparative strengths and weaknesses of the asserted legal claims").

Statutory damages are available only for infringement claims based on works registered prior to the alleged infringement or within 90 days after first publication (section 412); claims based on works registered after that time window are eligible only for actual damages (sections 412, 504), which are difficult to prove and on the facts below arguably highly problematic. The settlement's three-tier plan of allocation fairly reflects the value of claims for registered works eligible for statutory damages (Category A under the plan of allocation), which is greater than the value of claims for registered works eligible only for actual damages (Category B), and much greater than the value of claims for unregistered works that, at the time of settlement, faced the risk of dismissal for lack of standing under section 411(a) (Category C).[3] The provision in the plan of allocation for the possible reduction in the value of Category C (unregistered works) claims before the reduction in value of Categories A and B claims is neither arbitrary nor prejudicial. Rather, ***not*** treating the claims differently would have been unfair to those authors who did register their works

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[3] Another justification for the lower payment under Category C is that Registration costs $30 per work, or $30 per group of works registered together in any one year. (Corrected Brief for Plaintiffs-Appellees filed July 7, 2006 in Second Circuit, at 36 n.12.) Thus, the expense borne by authors of registered works is another reason in support of a plan of allocation that favors registered works.

and who arguably alone had standing to sue at the time of settlement.[4]

Finally, as other parties have gratuitously raised the Category C potential-reduction issue – and Amicus has asserted as well that the administration of claims will impose an undue burden on the district court (Amicus Br. 63-64) – it is only fair for plaintiffs to point out that the claims process ended while the case was on appeal, and, based on claim assessment by the claims administrator, in fact, no Category C reduction will be necessary based on the claims filed, and no disputed claims issues are or are expected to be before the district court.

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[4] Amici's other attacks on the merits of the settlement are equally baseless. (*See* Amicus Br. 63, 65; CCIA Br. 11-12.) These issues are also not encompassed within the question as to which certiorari was granted, and have been briefed and argued on a full record in the court below.

CONCLUSION

For the foregoing reasons and the reasons set forth in their opening brief, Respondents Pogrebin et al. respectfully request that this Court reverse and vacate the opinion of the Second Circuit Court of Appeals and remand for further proceedings.

Dated: September 18, 2009

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REPLY BRIEF

141

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REED ELSEVIER INC. *et al.*,

Petitioners,

v.

IRVIN MUCHNICK *et al.*,

Respondents,

LETTY COTTIN POGREBIN *et al.*,

Respondents.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

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CORPORATE DISCLOSURE STATEMENT

Petitioner's Rule 29.6 Statement was set forth at page ii of Petitioner's Opening Brief, and there are no amendments to that Statement.

TABLE OF CONTENTS

	Page
CORPORATE DISCLOSURE STATEMENT ..	i
TABLE OF CONTENTS	ii
TABLE OF CITED AUTHORITIES	iii
INTRODUCTION	1
I. SECTION 411(a) DOES NOT RESTRICT SUBJECT MATTER JURISDICTION. ..	3
A. The Registration Requirement Does Not Pass *Arbaugh*'s Clear Statement Test.	3
B. Under Ordinary Canons of Construction, § 411(a) Is Not Jurisdictional	7
1. Statutory Text and Structure ..	7
2. History	10
3. Purpose	16
II. ANY JURISDICTIONAL RESTRICTION WOULD NOT EXTEND TO SETTLING PROPERLY INSTITUTED ACTIONS. ...	18
III. THERE ARE NO GROUNDS TO FIND JUDICIAL ESTOPPEL OR PRECLUDE WAIVER.	19
IV. RESPONDENTS' ALTERNATIVE ARGUMENTS MISREAD 28 U.S.C. § 1367 AND 17 U.S.C. § 411(A).	23
CONCLUSION	28

TABLE OF CITED AUTHORITIES

Page

Cases

Albemarle Paper Co. v. Moody,
422 U.S. 405 (1975) 26

Amchem Prods. v. Windsor,
521 U.S. 591 (1997) 22

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504 U.S. 689 (1992) 25

Arbaugh v. Y&H Corp.,
546 U.S. 500 (2006) ..... *passim*

Bowles v. Russell,
551 U.S. 205 (2007) 12, 13

Breuer v. Jim's Concrete of Brevard, Inc.,
538 U.S. 691 (2003) 25

Califano v. Yamasaki,
442 U.S. 682 (1979) 26

Callaghan v. Myers,
128 U.S. 617 (1888) 12

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Page

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519 U.S. 61 (1996) 17

Central Bank, N.A. v. First Interstate Bank, N.A.,
511 U.S. 164 (1994) 16

Day v. McDonough,
547 U.S. 198 (2006) 1

Director v. Newport News Shipbuilding & Dry Dock Co.,
514 U.S. 122 (1995) 16

Eberhart v. United States,
546 U.S. 12 (2005) 14, 15, 20

EEOC v. Hiram Walker & Sons, Inc.,
768 F.2d 884 (7th Cir. 1985) 27

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591 F.2d 796 (D.C. Cir. 1978) 5

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424 U.S. 747 (1976) 26

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Page

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510 U.S. 517 (1994) 14, 17

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493 U.S. 20 (1989) .....*passim*

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2009 U.S. Dist. LEXIS 76231
(D. Colo. Aug. 26, 2009) 24

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Civ. No. 03-10332-GAO, 2003 U.S. Dist.
LEXIS 17458 (D. Mass. Sept. 16, 2003) 21

INS v. St. Cyr,
533 U.S. 289 (2001) 3

Isby v. Bayh,
75 F.3d 1191 (7th Cir. 1996) 27

John R. Sand & Gravel v. United States,
128 S. Ct. 750 (2008) 12, 13

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549 U.S. 199 (2007) 7, 11

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Page

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540 U.S. 443 (2004) 10, 15

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511 U.S. 244 (1994) 3

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478 U.S. 501 (1986) 19, 27

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275 F. 428 (2d Cir. 1928) 13

Marshall v. Marshall,
547 U.S. 293 (2006) 25

Matsushita Elec. Indus. Co. v. Epstein,
516 U.S. 367 (1996) 18, 19, 27

Morris v. Bus. Concepts, Inc.,
259 F.3d 65 (2d Cir. 2001) 15, 20

New Hampshire v. Maine,
532 U.S. 742 (2001) 19, 21

New York Times v. Star Co.,
195 F. 110 (C.C.S.D.N.Y. 1912) 13

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Page

New York Times v. Tasini,
533 U.S. 483 (2001) 2, 19

New York Times Co. v. Sun Printing & Publ'g Ass'n,
204 F. 586 (2d Cir. 1913) 13

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490 U.S. 826 (1989) 17

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534 U.S. 533 (2002) 24

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291 F.3d 917 (6th Cir. 2002) 24

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433 F.3d 1129 (9th Cir. 2006) 24

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Civ. No. 00-4205-GPM, 2000 U.S. Dist.
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2007 U.S. Dist. LEXIS 78090
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Page

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361 U. S. 220 (1960) 21

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260 F.2d 637 (2d Cir. 1958) 5, 6

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306 U.S. 30 (1939) 12, 16

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422 U.S. 749 (1975) 25, 26

Wheaton v. Peters,
33 U.S. 591 (1834) 11

Whimsicality, Inc. v. Rubie's Costume Co.,
891 F.2d 452 (2d Cir. 1989) 15

Zipes v. TWA, Inc.,
455 U.S. 385 (1982) 4, 5, 7

Cited Authorities

Page

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17 U.S.C. § 410(c) 16

17 U.S.C. § 411(a) .....*passim*

17 U.S.C. § 412 16

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17 U.S.C. § 508(a) 8, 9

28 U.S.C. § 1331 7

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28 U.S.C. § 1338 .....*passim*

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28 U.S.C. § 2072(b) 26

Legislative Materials

Copyright Act of 1831 § 13 11

Copyright Act of 1870 § 97 11

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Copyright Act of 1873 § 4962 12

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Page

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Rules

Change in Procedure Regarding Filing of Notifications (17 U.S.C. § 508 Filings), 51 Fed. Reg. 29973 (Aug. 21, 1986) 9

C.D. Cal. R. 3-1 9

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Page

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INTRODUCTION

The brief of the court-appointed amicus ("amicus") attacks a straw man. According to amicus, if the registration requirement in 17 U.S.C. § 411(a) is not jurisdictional, then it is entirely optional, a "caprice" left to the whims of private litigants. Amicus Br. 13. But that is not the construction petitioners advocate, nor does it reflect the realities of copyright litigation. Petitioners assert that registration is mandatory – as much as compliance with the statute of limitations, service of process, or any other requirement where failure may give rise to a motion to dismiss. In the overwhelming majority of cases, a defendant would have no conceivable reason to waive or forfeit such a complete defense. And if it did, for example through inadvertence, petitioners agree with the United States that the district court may have some role in policing the requirement and, where appropriate, dismiss the lawsuit for failure to register. U.S. Br. 25-27; *Day v. McDonough*, 547 U.S. 198, 205-06 (2006).

The question is whether there are *any* circumstances in which waiver should be permitted, or whether instead § 411(a), being deemed jurisdictional, creates a blanket ban even on settlements that encompass unregistered works. Amicus presents no evidence that Congress ever intended registration to operate in such an absolute manner. Congress never clothed registration in the language of jurisdiction; never cross-referenced other jurisdictional provisions; and never mentioned registration in any of the statutes that grant the federal courts jurisdiction over copyright actions. Virtually the only support for amicus's position comes from lower-court decisions, which of course are not binding on this Court and bear re-examination in any event.

See Arbaugh v. Y&H Corp., 546 U.S. 500 (2006); *Steel Co. v. Citizens for Better Env't*, 523 U.S. 83 (1998). None of amicus's arguments begins to provide the "clear statement" necessary to show that Congress intended registration to be a jurisdictional requirement. *Arbaugh*, 546 U.S. at 515.

Furthermore, the settlement here promotes the interests and policies of the Copyright Act. Petitioners deliberately chose to forgo their defense against unregistered works in order to effectuate an industry-wide settlement that will allow greater access to the freelance articles. Every party involved in the settlement supports the authority of the court to approve it – even the objectors, who warn that without such a settlement, many articles would be dropped from the databases, creating "gaping holes" in the "electronic record of history" and leaving numerous authors uncompensated. Muchnick Br. 35 (quoting *New York Times v. Tasini*, 533 U.S. 483, 505 (2001)). The United States agrees that settlement is in the public interest and does not harm the Library of Congress's collections. U.S. Br. 30. No copyright purposes would be served by blocking such a salutary outcome.

Unable to sustain her case, amicus assails petitioners for supposedly taking an inconsistent position below. Amicus even claims, remarkably, that petitioners should be estopped from arguing that § 411(a) is mandatory but not jurisdictional. That argument is baseless and a distraction. Petitioners' arguments below focused on the existence of the restriction imposed by § 411(a), not on whether it was jurisdictional or mandatory. None of the courts below accepted any argument by the petitioners about whether § 411(a) is jurisdictional. This Court should follow its customary

practice and decide the question it posed to the parties based upon the merits of their positions.

I. SECTION 411(a) DOES NOT RESTRICT SUBJECT MATTER JURISDICTION.

A. The Registration Requirement Does Not Pass *Arbaugh*'s Clear Statement Test.

Amicus argues that despite *Arbaugh*'s recent, unanimous declaration of a "readily administrable bright line" test for deciding when a statutory requirement restricts jurisdiction, the Court did not intend to simplify the method for answering such questions. According to amicus, the Court's jurisprudence should not be "condense[d] . . . [in]to a solitary 'bright line'" or reduced to "a single query." Amicus Br. 16.

Amicus distorts *Arbaugh*'s holding and its reasoning. *Arbaugh* announced a clear statement test for determining whether a provision restricts jurisdiction: "If the Legislature *clearly states* that a threshold provision on a statute's scope shall count as jurisdictional," then the provision restricts the subject-matter authority of the court. *Id.* at 515 (emphasis added). If it does not, then the restriction is not jurisdictional. *Id.* at 516. Clear statement tests are familiar to this Court's jurisprudence. *E.g.*, *INS v. St. Cyr*, 533 U.S. 289, 299 (2001); *Landgraf v. USI Film Prods.*, 511 U.S. 244, 272-73 (1994). Their purpose is to reduce uncertainty by providing lucid signposts to lower courts and to litigants about how to interpret statutes, and to ensure that Congress rather than courts makes certain core decisions about what the law provides, including as to the scope of federal court jurisdiction. They do so by requiring Congress to speak in clear terms

and by providing that a statute will be construed to have a particular meaning only when Congress does.

The same is true of the jurisdictional test in *Arbaugh*. *Arbaugh* focused solely on the statutory text of the provision before it. The only factors it considered were that the provision in question "'does not speak in jurisdictional terms'" and does not "'refer in any way to the jurisdiction of the district courts.'" *Id.* at 515 (quoting *Zipes v. TWA, Inc.*, 455 U.S. 385, 394 (1982)).[1] It did not examine the statute's history or survey the legislature's purposes. As *Arbaugh* stated, limiting the examination to the face of the statute provides a "readily administrable" means to determine whether to classify a provision as jurisdictional or not and to ensure congressional responsibility for the scope of the court's authority. A totality-of-the-circumstances standard as amicus advocates would not leave courts and litigants "duly instructed" about whether a statute is jurisdictional, and would force them "to wrestle with the issue" at great cost, *id.* at 516, as the history of this case proves.[2]

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[1] *Arbaugh* of course never mandated that Congress use the *word* "jurisdiction" every time it wants to signal that a provision should have jurisdictional force. *See* Amicus Br. 16 n.1. It recognized that Congress may "speak in jurisdictional terms" or in some other unmistakable way refer to jurisdiction, and some of the examples cited by the *Arbaugh* Court do so. *See* 546 U.S. at 516 n.11. But *Arbaugh* deliberately did not stray beyond the statutory text.

[2] Amicus argues that *Arbaugh*'s test is "most useful" in distinguishing jurisdictional limits from claim elements, rather than from threshold requirements, but gives no reason why that would be so. Amicus Br. 16 n.6. To the contrary, the precedent that supplied *Arbaugh* with the statutory test for jurisdiction

Amicus argues that the use of the word "jurisdiction" in the final sentence of § 411(a) supplies the missing clear statement of Congressional intent. That is a logical fallacy. Amicus has confused the question of whether a court has the power to decide registrability with whether registration is jurisdictional. As explained in petitioners' opening brief, that sentence was added to clarify a fundamental change in the role of the district court. Under the 1909 Act, a certificate of registration was a mandatory prerequisite to an infringement action, and only the Register could issue it. If he refused, the sole avenue for relief lay in a mandamus action against him; the court deciding the infringement action could not issue the certificate on its own. *Vacheron & Constantin-Le Coultre Watches, Inc. v. Benrus Watch Co.*, 260 F.2d 637 (2d Cir. 1958); *Esquire, Inc. v. Ringer*, 591 F.2d 796, 806 (D.C. Cir. 1978). In 1976, Congress eliminated the requirement that the Register had to grant permission to sue, permitted the plaintiff to proceed whether the Register granted the application or denied it, and for the first time allowed the district court with the infringement action to review the Register's denial even in his absence and without a mandamus claim. 17 U.S.C. § 411(a). Congress confirmed the district court's new role in determining registrability by providing that "the Register's failure to become a party" (as was required previously in a mandamus action) "shall not deprive the court of jurisdiction to decide that issue." *Id.*

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concerned a threshold requirement, not a claim element. *See Zipes*, 455 U.S. at 393 (comparing the requirement of filing an EEOC charge to a statute of limitations that is neither jurisdictional nor a claim element).

That legislative amendment thus established the authority of the district court to rule on registrability even in the absence of the Register, and the authority of the court to review the Register's denial without a separate mandamus action. But just because the court has the power to decide whether a work is registrable, it does not follow that registration is jurisdictional – i.e., that it *lacks* power to hear the infringement action unless registration has occurred. The two issues have nothing to do with each other. Indeed, even under the previous law, when the Register had sole power to authorize registration, that did not mean that registration was a jurisdictional prerequisite for an infringement action, as opposed to a mandatory condition. For this reason, amicus's argument that if Congress believed § 411(a) created a non-jurisdictional condition, it would have concluded the section with the words "but the Register's appearance is not a condition of the court determining registrability," Amicus Br. 21, is a non-sequitur. Neither version of that clause addresses whether registration is a jurisdictional or merely a mandatory requirement. Hence, it surely cannot qualify as a supposedly clear statement of a withdrawal of jurisdiction.

The 1976 Act cut through *Vacheron*'s Gordian knot by permitting the infringement court to proceed even if registration were denied and to review the Register's denial even if the Register did not appear. That does not suggest that the first sentence of § 411(a) imposed a restriction on the jurisdiction conferred by 28 U.S.C. § 1338; it means only that the third sentence makes absolutely clear Congress had removed any possible prior limitation on reviewing the Register's decisions in his or her absence.

In sum, the registration requirement in § 411(a) does not pass *Arbaugh*'s clear statement test, and amicus does not seriously argue otherwise. The text requiring registration before an infringement suit may be instituted does not speak in jurisdictional terms (it does not mention "jurisdiction," "authority," or "power"), and it does not refer in any way to the jurisdiction of the federal courts (there is no cross-reference to 28 U.S.C. §§ 1331 or 1338). If the requirement that Congress must speak clearly before a provision is held to restrict jurisdiction means anything, it is not met here.

B. Under Ordinary Canons of Construction, § 411(a) Is Not Jurisdictional

Even under the ordinary canons of construction, without application of *Arbaugh*'s clear statement test, there is no basis to conclude that the registration requirement ought to be considered jurisdictional in the strict sense now used by the Court.

1. *Statutory Text and Structure.* On the most salient textual and structural features of the statute, amicus is silent. The jurisdictional provisions of copyright law and the registration requirements of the Copyright Act are codified in two different titles of the U.S. Code, they do not refer to each other, and they have completely distinct pedigrees. *See* Pet. Br. 23-27. Moreover, the language of § 411(a) does not resemble that of other statutory withdrawals of jurisdiction, but rather exhaustion requirements that have been held not jurisdictional. *See, e.g., Zipes*, 455 U.S. at 394; *Hallstrom v. Tillamook County*, 493 U.S. 20, 30 (1989); *see also Jones v. Bock*, 549 U.S. 199, 204 (2007) (administrative exhaustion requirement in Prison Litigation Reform Act, providing that "[n]o action shall be brought . . .

until such administrative remedies are available are exhausted," is an affirmative defense that defendant must plead and prove). These are powerful indications that Congress never intended registration to be a jurisdictional prerequisite. *See also infra* at 11-12 (predecessor registration provision was directly modeled on limitations provisions of prior copyright laws).

Instead, amicus focuses on § 508, previously unnoted by any court in assessing whether § 411(a) is jurisdictional, which supposedly "directs courts to assure that the registration requirement is met" and thus provides evidence that it should be treated as jurisdictional. Amicus Br. 24-25. That argument misreads § 508(a), which provides as follows:

> Within one month after the filing of any action under this title, *the clerks* of the courts of the United States shall send written notification to the Register of Copyrights setting forth, *as far as is shown by the papers filed in the court*, the names and address of the parties and the title, author, and registration number of each work involved in the action.

17 U.S.C. § 508(a) (emphasis added).

The italicized phrases in the statute – which amicus omits, *see* Amicus Br. 24 – refute the argument. First, the section speaks to *clerks*, not federal judges. It directs them to do what clerks generally do: keep records and send out notifications, not make substantive rulings about statutory eligibility or "assure[] attention to Section 411(a)'s jurisdictional limit." *Id.* Contrary to amicus's contention, nothing in the statute suggests that judges ever see, or are informed of, Form AO 121, or that § 508 plays any role whatever in assisting judges

"to identify jurisdictionally deficient infringement claims at the outset of litigation." *Id.* at 25-26, 80a. Moreover, local rules that give *plaintiffs* responsibility for preparing the notices confirm that § 508 plays no role in assuring judicial attention to a supposed jurisdictional limit. *See, e.g.*, E.D. Tex. R. Civ. 4(a); W.D. Wash. R. 3(a); C.D. Cal. R. 3-1.

Second, the notification provision is expressly limited to the information that appears in the papers submitted by the parties. The clerk is not obligated to search out additional facts about whether registration has occurred, let alone to vouch that it has. If the papers omit the registration number, all that follows is that the notification will too; the statute does not provide for any resulting "penalty," much less dismissal. On amicus's theory, the omission of the plaintiff's address – another item required by § 508(a) – would also be a jurisdictional defect. That is an absurd result.[3]

Other supposed indications that Congress intended § 411(a) to be jurisdictional are equally unavailing. Amicus claims that it is evidence of jurisdictional status that § 411(a) delineates the "classes of cases" falling within the courts' adjudicatory authority, because it distinguishes United States works (which must be registered) from foreign works (which need not). Amicus

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[3] The § 508 notification system no longer credibly provides information to the public about copyright litigation, contrary to amicus's contention. *See* Amicus Br. 25. Since 1986, the Copyright Office has ceased indexing new § 508 filings, explaining that it "cannot justify the time and expense required to continue the indexing procedure." By that point, the office was receiving fewer than five requests per year for that information. *See* Change in Procedure Regarding Filing of Notifications (17 U.S.C. § 508 Filings), 51 Fed. Reg. 29973 (Aug. 21, 1986).

Br. 21-22 (quoting *Kontrick v. Ryan*, 540 U.S. 443, 455 (2004)). But this argument is pure bootstrapping, because it assumes that the distinction between United States works and foreign works is jurisdictional in the first place. Only if § 411(a) is deemed jurisdictional does it delineate a boundary between cases that fall within that authority and those that do not. If it is *not* deemed jurisdictional – like the thousands of ordinary federal statutes that draw substantive but non-jurisdictional distinctions in different situations – then its lines say nothing about jurisdiction.

2. *History.* Amicus largely ignores the historical evidence presented in petitioners' opening brief about the jurisdictional status of § 411(a). Amicus ignores the extensive survey of the legislative history of the 1976 Act, including most significantly a report of the Register to Congress that omitted registration from a list of jurisdictional provisions of the Copyright Act. *See* Pet. Br. 27-33. Amicus also ignores the striking fact that for 200 years Congress consistently provided for copyright jurisdiction and required copyright registration in separate enactments. *Id.* at 33-34 & Add. B.

Amicus nevertheless maintains that the 1909 copyright law made registration jurisdictional and the 1976 Act maintained that approach. Amicus concedes that until 1909, the formalities that were conditions precedent to infringement claims were "claim elements" and not jurisdictional restrictions. Amicus Br. 29-30.[4]

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[4] Amicus calls registration during the pre-1909 period an "unwaivable prerequisite for establishing a property right enforceable under federal law," Amicus Br. 29-30, but provides no support for that conclusion, and not a single authority cited involved a defendant who sought to waive the requirement.

Amicus contends, though, that the "inflexibly unwaivable" regime established in 1790 was unsuited to national growth and required more play in the joints, and that "Congress's solution [in 1909] was to change deposit and registration from claim elements to jurisdictional prerequisites." Amicus Br. 30. The idea that Congress made a provision jurisdictional in order to add flexibility is highly implausible. More remarkable, amicus cites *nothing at all* to support this fanciful story other than the supposedly clear language of the 1909 Act's registration-before-suit requirement ("No action . . . shall be maintained . . . until" registration has occurred). *See* Amicus Br. 31. Nothing about that language makes it self-evidently jurisdictional. *Jones*, 549 U.S. at 216.

To the contrary, the prior history amicus skips over directly and powerfully refutes her claim. Contrary to the argument that the phrasing of the 1909 registration precondition was selected to render registration jurisdictional, Congress drew that language directly from prior copyright laws where it had been employed six times for provisions that were plainly not jurisdictional. *See, e.g.*, Act of February 3, 1831 § 13 ("[N]o action shall be maintained . . . unless the same shall have been commenced within two years after the cause of action shall have arisen"); Act of July 8, 1870 § 97 ("[N]o person shall maintain an action for the infringement of his copyright unless he shall give notice thereof . . ."); *id.* § 104 ("[N]o action shall be maintained

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(Other than in a settlement context, there is no reason that any defendant ever would.) The only case cited, *Wheaton v. Peters*, 33 U.S. 591 (1834), involved a defendant who vigorously sought to enforce the condition precedent.

in any case of forfeiture or penalty . . . unless the same is commenced within two years after the cause of action has arisen"); Act of 1873 § 4962 ("No person shall maintain an action for the infringement of his copyright unless he shall give notice thereof . . ."); *id.* § 4968 ("No action shall be maintained in any case of forfeiture of penalty . . . unless the same is commenced within two years"); Act of June 18, 1874, § 1 ("[N]o person shall maintain an action for the infringement of his copyright unless he shall give notice . . . ."). *See generally* 8 Melville B. Nimmer & David Nimmer, Nimmer on Copyright, App'x 7 (1998) (collecting statutory materials).

By framing the registration-before-suit requirement with language previously used in six separate non-jurisdictional provisions in prior copyright acts and maintaining the longstanding separation of provisions conferring jurisdiction and preconditions, the 1909 Congress made clear that registration before suit is a condition precedent, not a jurisdictional grant or restriction. "Conditions precedent" is how even the dissenters repeatedly characterized registration in *Washingtonian Publ'g Co. v. Pearson*, 306 U.S. 30, 51, 55 (1939) (Black, J., dissenting), and how previous similar requirements were understood, *Callaghan v. Myers*, 128 U.S. 617, 649, 652 (1888).

Amicus also invokes what is claimed to be "two centuries of judicial precedent," Amicus Br. 42, or "a full century" of precedent, *id.* at 13, in the lower courts. Amicus relies on *Bowles* and *John R. Sand & Gravel* for the teaching that this Court should defer to precedent when it decides whether a statutory provision is jurisdictional. But this argument is severely flawed.

First, *Bowles* and *Sand* dealt with situations where there was an unbroken chain of precedent *in this Court*. *See John R. Sand v. United States*, 128 S.Ct. 750, 753-54 (2008); *Bowles v. Russell*, 551 U.S. 205, 209 (2007). Both cases took great pains to emphasize that their holdings were dictated by the commands of *stare decisis*, even if a fresh examination of the statutory provision, applying current standards, would produce a different result. There is no contention that the Court's own earlier rulings dictate decision here.

Second, there is no consensus even in the lower courts. For the period from 1909 to 1976, amicus cites only two appellate decisions, neither of which held registration to be jurisdictional. *New York Times Co. v. Sun Printing & Publ'g Ass'n*, 204 F. 586, 588 (2d Cir. 1913), is misrepresented in amicus's brief through misleading ellipses. The court did not say that it agreed with "what is there said" by the lower court in *New York Times v. Star Co.*, 195 F. 110, 112 (C.C.S.D.N.Y. 1912), with respect to registration and deposit being jurisdictional requirements under the 1909 Act. *See* Amicus Br. 19. The court agreed only that the provisions of the Act dealing with injunctions were subject to those requirements, whatever they were. *Id.* The *Sun Printing* court never even used the word "jurisdiction." Moreover, *Lumiere v. Pathe Exch. Inc.*, 275 F. 428, 430 (2d Cir. 1928), did not hold that the jurisdiction conferred by different provisions of law was restricted by registration, and affirmed dismissal because a "condition precedent" had not been complied with. There was no issue in the case as to any waiver or agreement to waive, and the dicta amicus cites ("the parties cannot by agreement, express or implied, alter the statute") is a truism entirely consistent with the

position of the United States and the parties. Amicus also cites four lower court decisions, *see* Amicus Br. 33-34, each of which rested on section 12 of the 1909 Act and not on its jurisdictional ranking, and in each of which nothing turned on the gratuitous reference to jurisdiction.

Although amicus cites two 1940s-vintage treatises that say registration goes to the jurisdiction of the court, Amicus Br. 32, there is no reason to think that Congress had either in mind in 1976. But Congress was informed of the 1917 copyright treatise by Arthur Weil, *American Copyright Law*, as it was expressly mentioned in Professor Kaplan's study on registration for the Senate Committee on the Judiciary.[5] The Weil treatise, which this Court has often cited (most recently in *Fogerty v. Fantasy, Inc.*, 510 U.S. 517, 528 (1994)), makes no reference to registration as restricting the jurisdiction over infringement actions conferred by the 1909 Act. *See* Arthur Weil, American Copyright Law 307-15, 509-11 (1917).

In the post-1976 period, amicus does cite numerous decisions of the inferior courts stating that § 411(a) is jurisdictional. But they are far too recent to constitute any kind of a venerable practice; the earliest appellate decisions date back only to 1990. *See* Amicus Br. App'x C. Moreover, to defer to them would defeat the entire lesson of *Steel Company, Arbaugh, Eberhart v. United States*, 546 U.S. 12 (2005), and other cases

[5] *See* Benjamin Kaplan, The Registration of Copyright, Study No. 17, in Copyright Law Revision Studies Nos. 17-19, prepared for the Subcomm. on Patents, Trademarks, and Copyrights of the Sen. Comm. on the Judiciary, 86th Cong., 2d Sess., at 22 (Comm. Print 1960), discussed at Pet. Br. 28 n.12.

holding that decisions classifying statutory provisions as jurisdictional deserve "no precedential effect" where they use the label loosely and profligately. *Arbaugh*, 546 U.S. at 510-11.[6] The decisions amicus cites do not consider whether registration is more accurately characterized as a mandatory requirement than as a jurisdictional one in the way *Arbaugh*, *Eberhart*, and *Kontrick* did with their respective statutory provisions. Nor did they conduct a detailed examination of statutory text, structure, history, and purpose. Their imprecise use of the jurisdictional label is not surprising as nothing turned on that characterization, since the same result would have been reached (dismissal of a claim presented for adjudication) for failure to comply with § 411(a).[7]

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[6] Amicus takes petitioners to task for using "denigrating" language about those decisions and not giving them sufficient weight. Amicus Br. 38. But it is this Court, not petitioners, which characterized even some of its own decisions that use the term "jurisdictional" as "drive-by jurisdictional rulings . . . [entitled to] no precedential effect." *Steel Co.*, 523 U.S. at 90. *A fortiori*, unconsidered "jurisdictional" characterizations by lower courts that have failed to undertake the proper analysis of Congress's intentions are not entitled to weight.

[7] The Second Circuit initially enforced § 411(a) without reference to jurisdiction. *See Whimsicality, Inc. v. Rubie's Costume Co.*, 891 F.2d 452, 453 (2d Cir. 1989) ("[P]roper registration is a prerequisite to an action for infringement."). Twelve years later, when it relied on *Whimsicality* in *Morris v. Bus. Concepts, Inc.*, 259 F.3d 65, 72 (2d Cir. 2001), the court imported without discussion or occasion the "jurisdictional" characterization that the district court had used (itself without discussion) in granting summary judgment. *Morris* typifies how the "jurisdictional" characterization crept into lower court decisions without analysis or need.

None of those courts was presented with a situation like that here, where the defendants deliberately waived their objections to the lack of registration for the sake of a settlement agreement. Accordingly, they present no basis for affirmance. *See also Central Bank, N.A. v. First Interstate Bank, N.A.*, 511 U.S. 164, 186 (1994) (Congress's failure to address lower-court interpretation of a statute when amending the statute is no basis to infer Congressional acquiescence in that interpretation.)

3. *Purpose.* Amicus claims that § 411(a) furthers several "vital public purposes" that would be defeated if it were held not to be jurisdictional. Amicus Br. 44-56. But those purposes would not be significantly disserved by a regime that treated registration as a mandatory but non-jurisdictional requirement. Even if registration is not jurisdictional, failure to register will be very rare in copyright litigation. Defendants will seldom pass up the opportunity to file a winning motion to dismiss for failure to register. And there are other powerful incentives for plaintiffs to register their copyrights, including the establishment of prima facie evidence of copyright validity, 17 U.S.C. § 410(c), and eligibility for statutory damages and attorney fees, *id.* § 412. For the sake of the few situations where a defendant would deliberately waive its defense to achieve an otherwise unobtainable settlement, as here, it does not follow that Congress chose to make registration jurisdictional simply because it might marginally advance those statutory ends. *See Director v. Newport News Shipbuilding & Dry Dock Co.*, 514 U.S. 122, 136 (1995); *cf. Washingtonian*, 306 U.S. 30.

The first purpose amicus identifies, supporting a public record of copyright claims, Amicus Br. 45, would not be

harmed by the settlement in this case because the newspapers and periodicals in which the articles appeared were already recorded. Moreover, Congress's decision in 1989 to eliminate recordation as a precondition to suit largely removed the ability of consumers to identify copyright owners, as did the decision to make it optional in the first place. The second and third purposes, shielding federal courts and defendants from burdensome litigation, *id.* at 47, are insignificant because under a mandatory regime both types of actors could play a role in enforcing the requirement. And the final purpose, protecting the Library of Congress's collections, *id.* at 54, the United States itself characterizes as insubstantial in this case where the newspapers were already deposited. U.S. Br. 27 n.15.

Moreover, amicus slights the countervailing purposes that would be disserved by vacating this settlement agreement. The settlement will make available to the public many articles that would otherwise have to be purged from the electronic databases. *See Fogerty*, 510 U.S. at 527 ("[C]opyright law ultimately serves the purpose of enriching the general public through access to creative works."). The parties invested significant time, effort, and cost into reaching the class-action resolution, all of which would be wasted if registration were now held unwaivable. *See Arbaugh*, 546 U.S. at 515. And, at a more general level, settlement furthers important federal interests of finality, efficiency, economy, fairness, and the "unprotracted administration of justice." *Caterpillar Inc. v. Lewis*, 519 U.S. 61, 75-77 (1996); *Newman-Green, Inc. v. Alfonzo-Larrain*, 490 U.S. 826, 836 (1989). There is no basis to conclude that Congress opted for one set of the purposes over the other.

II. ANY JURISDICTIONAL RESTRICTION WOULD NOT EXTEND TO SETTLING PROPERLY INSTITUTED ACTIONS.

Amicus contends that petitioners go beyond the grant of review in arguing that § 411(a) does not deprive the district court of jurisdiction to approve the settlement even if it restricts jurisdiction to some extent over an adjudication. But deciding whether § 411(a) restricts jurisdiction necessarily entails deciding what the provision means and how far it runs.

Amicus ignores the plain language of § 411, which expressly addresses registration as a condition of "institut[ing]" claims, not settling them. Amicus is also mistaken in contending that the parties cannot properly rely on the long line of cases holding that courts may approve settlement agreements releasing claims that they could not have adjudicated. Amicus asserts that petitioners' argument "mistakes claims for controversies," and that claims for unregistered works of class members are not part of the same "case" or "controversy" as was initially pleaded so as to permit broad releases. But the complaints which frame the litigation make it a "case" and "controversy." JA 1, 16, 48, 69. Amicus's strained distinction of *Matsushita Elec. Indus. Co. v. Epstein*, 516 U.S. 367 (1996), cites no authority and is simply a repackaged challenge to improper joinder, which has never been at issue. Since plaintiffs' lawsuit against the databases and content providers is unquestionably a "case" or "controversy," it is necessarily a proper occasion for the exercise of the long-established power to approve a settlement releasing claims arising from the same factual predicate, even if they could not have been presented for

adjudication in this suit. Pet. Br. 48-51. The purported distinction of the *Matsushita* cases is also belied by *Tasini*, 533 U.S. 483, which was no less a "case" or "controversy" than this one is. In *Tasini*, as here, various freelance authors sued print publishers and secondary publishers (electronic publishers like LexisNexis, and microform publishers like UMI/Proquest), claiming that the licensing of the complete contents of the periodicals was infringing.

Among the inherent powers of Article III courts is the power to approve a settlement agreement reached by the parties that releases claims that could not have been adjudicated or affords relief that the Court itself could not have afforded. This Court addressed that power expansively in *Local No. 93, Int'l Ass'n of Firefighters v. City of Cleveland*, 478 U.S. 501 (1986), and held that courts have inherent Article III power to approve consensual agreements that, as a matter of contract, afford relief that could not have been judicially awarded upon adjudication. *See* Pet. Br. 49. Amicus ignores *Firefighters* and *Matsushita*, which contradict her contention that courts may not "extinguish the very claims they could not try." Amicus Br. 66.

III. THERE ARE NO GROUNDS TO FIND JUDICIAL ESTOPPEL OR PRECLUDE WAIVER.

Nothing in the litigation history here warrants the application of judicial estoppel under *New Hampshire v. Maine*, 532 U.S. 742, 750-51 (2001), or precludes petitioners from taking advantage of their waiver of § 411(a).

First, amicus is simply wrong in contending that petitioners take a position in this Court that is inconsistent with their arguments below. Petitioners'

arguments below focused on the restriction in § 411(a), not on whether it was jurisdictional or mandatory. Their position was that registration is a mandatory condition that prevents adjudication of claims for unregistered works, but not settlement agreement approval, and it is the same position they take here. The condition in § 411(a) made it virtually certain that the claimants would not be able to litigate claims for unregistered works until the works were identified, authors located, and registration undertaken. That hurdle supported petitioners' arguments for valuing such claims lower than claims for registered works, and the discount was justified regardless of how § 411(a) was characterized. Petitioners' arguments in favor of the settlement in the district court turned on the fact that § 411(a) erected a condition precedent to litigating claims for unregistered works – not on whether that condition was "ranked" as jurisdictional under *Arbaugh*. *Cf. Hallstrom*, 493 U.S. 20.

Petitioners' arguments to the Second Circuit were no different. Petitioners' letter-brief on jurisdiction to the Second Circuit – which amicus has misleadingly characterized and excerpted, and so is reproduced in its entirety below – is consistent with the position they have taken in this Court and throughout. It did not argue that § 411(a) restricts jurisdiction; it argued that § 411(a) was at most a condition to instituting an infringement suit, and that it was inapplicable to settlement approval. While petitioners passingly used the "jurisdictional" label to express the mandatory nature of § 411(a), they merely recited the holding of controlling Second Circuit precedent at the time. *See Morris v. Bus. Concepts, Inc.*, 259 F.3d 65, 72 (2d Cir. 2001). In any event, such use was clearly incidental to their claims. *Cf. Eberhart*, 546 U.S. at 17-18

(discounting similarly loose language in *United States v. Robinson*, 361 U. S. 220, 229 (1960)). Petitioners' position, and its impact on the settlement, was the same whether lack of registration was considered jurisdictional or mandatory, because it was a defect that warranted discounting claims for unregistered works either way.[8]

Second, petitioners did not succeed in persuading the courts below to adopt any position about whether § 411(a) restricts jurisdiction. Section 411(a)'s effect on district court adjudication was not at issue in or decided by the district court, petitioners argued that it was not at issue on appeal, and they certainly failed to persuade the Second Circuit of their view. *See New Hampshire*, 532 U.S. at 750-51.

Third, there is no risk of a party seeking and obtaining inconsistent court determinations. *See id.* The district court was not asked to, and did not, decide the question framed by this Court, and petitioners' arguments to the Second Circuit and here are consistent.

Amicus's contention that petitioners cannot retroactively waive § 411(a) misses the mark entirely. Amicus Br. 61-65. Petitioners already waived § 411(a) below, to the extent that it applied to settlement. Rather

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[8] Notably, many lower courts have dismissed claims for unregistered works under Fed. R. Civ. P. 12(b)(6) rather than under 12(b)(1), or under both. In either event, it is § 411(a) itself that requires dismissal. *See, e.g.*, *Inkadinkado, Inc. v. Meyer*, Civ. No. 03-10332-GAO, 2003 U.S. Dist. LEXIS 17458, at *9 (D. Mass. Sept. 16, 2003); *Taggart v. WMAQ*, Civ. No. 00-4205-GPM, 2000 U.S. Dist. LEXIS 19499, at *10 (S.D. Ill. Oct. 30, 2000) (same); *Therrien v. Martin*, 2007 U.S. Dist. LEXIS 78090, at *11-*12 (D. Conn. Oct. 19, 2007).

than asking to retroactively waive § 411(a) here, petitioners seek to enforce their 2005 waiver in the interest of the settlement. If petitioners are correct that in the context of a settlement § 411(a) applies only at the front end of litigation and not separately in connection with settlement approval, there is no issue of waiver whatever. If the Court concludes that § 411(a) applies at both the front end and in the settlement context, then defendants' support of the settlement waived it, and that waiver did not "poison" the settlement but rather enabled it.

The additional argument that petitioners' waiver would destroy their own settlement (Amicus Br. 61) is well beyond the question the Court agreed to review, and makes no sense. Because § 411(a) prevents litigation of infringement claims until the subject works are registered, plaintiffs faced various obstacles to successfully litigating such claims that reduced claim value. But because those works *could* be registered and sued on thereafter, defendants were exposed to potentially unending exposure, which was worth resolving if agreement with the authors could be reached. Because the named plaintiffs had large numbers of such unregistered works, and were thus situated exactly like other members of the class – unlike in *Amchem Prods. v. Windsor*, 521 U.S. 591 (1997) – the district court was surely correct in finding adequate representation, and petitioners are confident that the Second Circuit, when it finally reviews the merits of the appeal, will agree.

IV. RESPONDENTS' ALTERNATIVE ARGUMENTS MISREAD 28 U.S.C. § 1367 AND 17 U.S.C. § 411(a).

Respondents' fallback argument – that 28 U.S.C. § 1367 supplies an alternative basis for vacating the Second Circuit's judgment – ignores the text and underlying purposes of § 1367, and accords insufficient meaning to § 411(a). The Second Circuit considered and rejected that argument, and it was correct to do so.

Respondents' argument, not citing even remotely pertinent case law, treats § 411(a) as if it were a circumscribed *grant* of jurisdiction whose preconditions could be ignored by relying instead on the supplemental jurisdiction afforded by § 1367. Section 411(a) is not a jurisdictional *grant*, however, but rather a restriction on instituting certain claims *whatever* the jurisdictional basis. Nothing in its text, legislative history, or application justifies according § 411(a) any different impact depending upon whether plaintiffs invoke jurisdiction under § 1338 or § 1367. Section 411(a) operates independently of the jurisdictional portal plaintiffs use.

Indeed, threshold preconditions to suit are mandatorily enforceable in the district court (absent permissible waiver or forfeiture) whether they are jurisdictional or not. *Hallstrom*, 493 U.S. at 31. It would turn *Hallstrom* and the Court's general approach to these matters upside down to conclude that courts faced with infringement claims for unregistered works may avoid § 411(a) if it is jurisdictional by relying on § 1367, but must apply § 411(a) if it is mandatory.

No court has relied on supplemental jurisdiction to adjudicate infringement claims for unregistered works, and more generally courts have uniformly rebuffed the

few attempts in which litigants have tried to avoid federal jurisdictional limitations by laundering their claims through § 1367.[9] The very first sentence of § 1367(a), which provides that any express requirements of federal statutes should be enforced, precludes treating § 1367 as if it neuters either § 411(a) or any of the other myriad statutory threshold requirements or other provisions that have been (or might be) held to be "jurisdictional."

Nor does § 1367's legislative history, which focused exclusively on state law claims supplemental to diversity cases and not at all on federal question cases, suggest that it was intended to bypass federal legislative preconditions, elements, or rules ranked as jurisdictional. The report that led directly to the statutory text, virtually without change, cautioned that supplemental jurisdiction "would not apply if Congress specified a contrary rule with respect to any particular grant of jurisdiction." *See* Federal Courts Study Committee, Working Papers and Subcommittee Reports (July 1, 1990).[10]

Respondents' argument proves far too much, and would make § 1367 a means of escaping all the various

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[9] *See Heilman v. Houghton Mifflin Harcourt Publ'g. Co.*, 2009 U.S. Dist. LEXIS 76231 (D. Colo. Aug. 26, 2009) (§ 1367 cannot be used to avoid § 411(a)); *see also, e.g.*, *Raygor v. Regents of the Univ. of Minn.*, 534 U.S. 533, 541-42 (2002); *Stanley v. Trustees of the Cal. State Univ.*, 433 F.3d 1129, 1133 (9th Cir. 2006); *Rose v. Stephens*, 291 F.3d 917, 925 (6th Cir. 2002).

[10] The House Report on what became § 1367 (the Senate enacted the House bill) does not mention supplemental jurisdiction of federal claims. *See* H.R. Rep. No. 101-734, 101 Cong. 2d Sess., at 27-30 (1990), *reprinted in* 1990 U.S.C.C.A.N. 6860, 6870-74.

jurisdictional restrictions and requirements that surround many federal causes of action. But restrictions on, or preconditions to, federal statutory causes of action generally have substantive ends and are fundamentally different in kind from the limitations found in § 1332 (jurisdictional amount, diversity of citizenship jurisdiction), whose purpose is to limit the caseload of the federal courts. Such restrictions have been steadily applied, not bypassed, in such cases as *Hallstrom* and *Weinberger v. Salfi*, 422 U.S. 749, 764 (1975). Respondents' argument would also end-run the established restrictions against domestic relations or probate cases recognized in *Marshall v. Marshall*, 547 U.S. 293 (2006), and *Ankenbrandt v. Richards*, 504 U.S. 689 (1992).

Reliance on supplemental jurisdiction here also accords § 411(a) insufficient weight. If § 411(a) can be bypassed by relying on § 1367 to permit the adjudication of claims for thousands of persons so long as a single plaintiff presents a single claim for a registered work, then § 411(a)'s inducing function is almost entirely dissipated. Nothing in § 1367's text or legislative history suggests that it goes that far.

Nor does *Breuer v. Jim's Concrete of Brevard, Inc.*, 538 U.S. 691 (2003), support using § 1367 here. *See* Pogrebin Br. 21-22; Muchnick Br. 41. That decision had to do with removal, not supplemental jurisdiction, and in any event the issue here is not whether supplemental jurisdiction is available – with § 1338 unqualifiedly available, there is no need to look to it – but whether § 411(a) restricts approval of the settlement agreement proposed in a case over which the district court undoubtedly had original jurisdiction under § 1338.

The Muchnick respondents (although not the Pogrebin respondents) also contend that § 411(a) does not apply to class claims. That baseless argument rips a large hole in § 411(a) and runs contrary to the United States' demonstration that § 411(a) generally bars institution for adjudication of infringement claims for damages. U.S. Br. 21-24. It is also contrary to 28 U.S.C. § 2072(b), which provides that the Federal Rules of Civil Procedure "shall not abridge, enlarge or modify any substantive right."

The Muchnick respondents' only reason for deeming § 411(a) inapplicable to class claims is this Court's affirmance of broad remedial relief to classes not all of whose members had exhausted administrative remedies in two Title VII cases. But those two decisions rest squarely on the text and distinctive policies of Title VII, not on any general rule that federal statutory pre-conditions to suit are inapplicable to class actions. *See Franks v. Bowman Transp. Co.*, 424 U.S. U.S. 747, 758-62 (1976); *Albemarle Paper Co. v. Moody*, 422 U.S. 405, 417-422 (1975). This Court made that plain, and effectively refuted respondents' argument, in *Califano v. Yamasaki*, 442 U.S. 682, 704 (1979), which reversed on jurisdictional grounds the lower court's grant of injunctive relief to persons as to whom no "final decision" concerning the right to a prerecoupment hearing had been made. *See also Weinberger*, 422 U.S. 749.

Other than *Albemarle* and *Franks*, the Muchnick respondents offer no basis for deeming § 411(a) inapplicable to class claims. As the United States correctly explains, "district courts should strictly enforce the registration requirement in cases where the

defendants raise the issue," and should ordinarily do so "at the outset of the lawsuit, when the court and the parties have not yet expended any resources." U.S. Br. 20, 26.

Finally, the Muchnick respondents argue that the Court must address their contentions that § 411(a) does not apply to class claims or can be avoided by founding jurisdiction on § 1367. They contend that the Court may not resolve the case on the basis of *Matsushita* or *Firefighters* because, on remand, review of the settlement under Fed. R. Civ. P. 23(e) will necessarily depend upon whether plaintiffs could have litigated to adjudication claims of class members for unregistered works. Muchnick Br. 44-46.

That contention is wrong. The fairness, reasonableness, and adequacy of the settlement depends upon the parties' assessment of risk at the time of settlement – not on the subsequent resolution, by the district court or court of appeals, of the underlying legal issues whose resolution the settlement rendered unnecessary. *See, e.g.*, *Isby v. Bayh*, 75 F.3d 1191, 1197 (7th Cir. 1996) ("As we engage in this limited review, we are mindful that the district courts have been admonished to refrain from resolving the merits of the controversy or making a precise determination of the parties' respective legal rights, a directive that applies to our own inquiry as well.") (internal quotation marks omitted); *EEOC v. Hiram Walker & Sons, Inc.*, 768 F.2d 884, 889 (7th Cir. 1985) (same); *Florida Trailer & Equip. Co. v. Deal*, 284 F.2d 567, 571 (5th Cir. 1960). *See generally* 2 Joseph M. McLaughlin, McLaughlin on Class Actions: Law and Practice § 7:17 (5th ed. 2009).

The Muchnick respondents' plea for this Court to issue a ruling that "either class-action litigation or supplemental jurisdiction is available" so as to aid their merits contentions regarding the alleged inadequacy of the payments for unregistered works, Muchnick Br. 46, is simply a request for an advisory opinion not sought from the courts below and not pertinent to further review of the final judgment approving the settlement agreement.

CONCLUSION

For all the foregoing reasons, the judgment below should be vacated and the case remanded for further consideration of the objectors' appeal from the district court's final judgment approving the settlement agreement.

Respectfully submitted,

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ADDENDUM

Addendum
Defendants' Letter to the Second Circuit dated February 12, 2007

[Letterhead omitted]

February 12, 2007

BY HAND

Thomas Asreen, Acting Clerk of Court
U.S. Court of Appeals for the Second Circuit
Daniel Patrick Moynihan United States Courthouse
500 Pearl Street
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Re: *In re Literary Works in Electronic Databases Copyright Litigation*, 05-5943-cv (2d Cir.)

Dear Mr. Asreen:

I write on behalf of defendants-appellees to address the question posed by the Court's January 31, 2007 Order, namely "whether the District Court had subject matter jurisdiction over claims concerning the infringement of unregistered copyrights." Please provide this response to the panel assigned to the above-captioned case.

1. With respect, we are constrained to rephrase the question, because the question posed implicitly assumes that the District Court exercised "subject matter jurisdiction over claims concerning the infringement of unregistered copyrights." We do not understand that

the District Court did so. Rather, it asserted jurisdiction over a lawsuit in which each and every claim of each and every named plaintiff concerned a properly registered work, consistent with 17 U.S.C. § 411(a), and then exercised its power to approve a class action settlement pursuant to Fed. R. Civ. P. 23(e), as to which § 411(a) plays no role.

17 U.S.C. § 411(a) is phrased and has been understood as a pre-condition to the exercise of subject matter jurisdiction conferred by 28 U.S.C. § 1338. *See Well-Made Toy Mfg. Corp. v. Goffa Int'l Corp.*, 354 F.3d 112, 115 (2d Cir. 2003). It provides that "no action for infringement of the copyright in any United States copyright work shall be instituted until . . . registration of the copyright claim has been made in accordance with this title." That requirement was literally and completely satisfied here. The actions in the District Court were not instituted until registration of the works named in suit was made in accordance with § 411(a).

Nothing in the statutory language or legislative history warrants stretching the provision beyond its simple and plain meaning to limit the usual power of district courts to approve class action settlements within the limits of Rule 23(e) and due process, as applied in such cases as *Wal-Mart Stores Inc. v. Visa U.S.A. Inc.*, 396 F.3d 96 (2d Cir.), *cert. denied sub nom Leonardo's Pizza by the Slice, Inc. v. Wal-Mart Stores, Inc.*, 544 U.S. 1044 (2005). Neither the cases referenced in the Court's Order, nor any other we have seen, suggests that § 411(a) generally proscribes remedial orders that would affect works other than those registered before initiation of a suit. The leading commentator forcefully agrees. *See 2 Nimmer on Copyright* § 7.16[C][3] (citing numerous cases holding that § 411(a) is not, for example, a condition

to the grant of injunctive relief reaching works of the plaintiffs other than those registered works on which suit was based).

To the extent the Court has asked our views on whether § 411(a) constrains a district court's power to approve a class action settlement that provides for the compensation and release of claims of authors' unregistered works, the answer is no, it does not. The cases are legion, and we believe unanimous, that a court with proper subject matter jurisdiction consistent with § 411(a) may grant injunctive copyright remedies affecting not only the registered work that created the subject matter jurisdiction but also unregistered works, and indeed works that may not yet have been created. This Court has so ruled, *see Sailor Music v. Gap Stores, Inc.*, 668 F.2d 84, 86 (2d Cir. 1981) (affirming injunction prohibiting public performance of "plaintiffs' copyrighted musical compositions," not just those registered), *cert. denied*, 456 U.S. 945 (1982), as have often-cited district court decisions in this Circuit. *See, e.g., Basic Books, Inc. v. Kinko's Graphics Corp.*, 758 F. Supp. 1522, 1542 (S.D.N.Y. 1991) (holding that plaintiffs are "entitled to

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[1] *Princeton Univ. Press v. Michigan Document Servs.*, 99 F.3d 1381, 1392 (6th Cir. 1996); *Olan Mills Inc. v. Linn Photo Co.*, 23 F.3d 1345, 1349 (8th Cir. 1994) ("The power to grant injunctive relief is not limited to registered copyrights, or even to those copyrights which give rise to an infringement action"); *Walt Disney Co. v. Powell*, 897 F.2d 565, 568 (D.C. Cir. 1990) ("Where, as here, liability has been determined adversely to the infringer, there has been a history of continuing infringement and a significant threat of future infringement remains, it is appropriate to permanently enjoin the future infringement of works owned by the plaintiff but not in suit."); *A&M Records,*

an injunction against future infringement of works which may not now be copyrighted or even in existence but, in the future, may be copied by defendant"); *Encyclopaedia Britannica Educ. Corp. v. Crooks*, 542 F. Supp. 1156, 1187 (W.D.N.Y. 1982) (same). We cite some of the leading cases, including those by seven other courts of appeal, in the margin;[1] even more decisions are collected in *2 Nimmer on Copyright* § 7.16[C][3] at nn. 146.6, 146.7.

A fortiori, once the Court is properly seized of subject matter jurisdiction and the precondition of § 411(a) is met, that section does not limit the Court's power to approve a negotiated class action settlement under Rule 23(e). Nothing in its language or structure so suggests. Instead, §411(a) is "merely the plaintiff's 'ticket' to court," *PRC Realty Sys. v. National Ass'n of Realtors, Inc.*, 766 F. Supp. 453, 461 (E.D. Va. 1991), not

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Inc. v. A.L. W., Ltd., 855 F.2d 368, 370 n.6 (7th Cir. 1988) (holding defendant in contempt who, after injunction entered by trial court, thereafter rented "recently released" records, i.e., works not created or published at the time the order was originally entered); *Columbia Pictures Indus., Inc. v. Aveco, Inc.*, 800 F.2d 59, 61 n.1 (3d Cir. 1986) (approving permanent injunction enjoining defendants from performing copyright motion pictures owned by plaintiffs); *MCA, Inc. v. Parks*, 796 F.2d 200, 202 (6th Cir. 1986) (affirming order enjoining skating rink operator "from further use of the jukebox in their establishment until they obtained an ASCAP license"); *National Football League v. McBee & Bruno's, Inc.*, 792 F.2d 726, 732 (8th Cir. 1986) (affirming grant of permanent injunction regarding future broadcasts of "works not yet in existence"); *Pacific & S. Co. v. Duncan*, 744 F.2d 1490 (11th Cir.), *cert. denied*, 471 U.S. 1004 (1985); *Fame Publishing Co. v. Alabama Custom Tape, Inc.*, 507 F.2d 667, 669 (5th Cir.) (affirming order permanently enjoining defendant "from continued infringement of plaintiffs' copyrights in musical compositions"), *cert. denied*, 432 U.S. 526 (1977).

the source of or any limitation on copyright protection, which arises upon creation. If § 411(a) does not strip district courts of the power to grant injunctive relief under 17 U.S.C. § 502 "to prevent or restrain infringement of a copyright" with respect to unregistered works (so long as the case has been instituted in compliance with §411(a)), it surely does not restrict the Rule 23(e) power to approve a negotiated class action settlement of a case properly before it. The latter situation entails not the grant of grant of copyright remedies but rather the exercise of Article III power to approve a class action settlement that meets the standards of Rule 23(e) and due process.[2]

It is settled that courts may approve class action settlements that benefit and release the claims of class members who could not themselves have been named plaintiffs, whether because their claims would have destroyed diversity or would not satisfy the amount-in-controversy requirement. *See, e.g.*, *Exxon Mobil Corp. v. Allapattah Servs., Inc.*, 545 U.S. 546, 557-60 (2005) (if one claim satisfies the amount in controversy requirement of diversity jurisdiction, the court can exercise

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[2] By arguing that courts may approve class action settlements that provide for compensation and release of claims of class members with regard to unregistered works, defendants are not agreeing that § 411(a) or any other provisions of law would permit a court to (a) award copyright damages under 17 U.S.C. § 504 with respect to unregistered works, whether in a class action or otherwise, or (b) certify a class of authors of unregistered works in a copyright infringement class action that would be litigated (rather than settled). Those scenarios raise very different considerations, and are not presented by this appeal. Defendants' position here should not be understood to suggest they believe that courts could do so.

supplemental jurisdiction over claims that do not meet the requirement); *Supreme Tribe of Ben-Hur v. Cauble*, 255 U.S. 356, 365 (1921) (class actions meet the standard test for diversity when there is complete diversity between the named plaintiffs and named defendants); *In re "Agent Orange" Prod. Liab. Litig.*, 818 F.2d 145, 162 (2d Cir. 1987) ("complete diversity is required only between the named plaintiffs and the named defendants in a federal class action"). Just as class action settlements may provide for compensation to (and release of the claims of) third persons who could not have themselves sued and satisfied the requirements of subject matter jurisdiction, *Exxon, supra,* or of persons who have not asserted those claims in court at all, *e.g.*, *Wal-Mart*, so too an infringement action meeting the requirements of §411(a) at the front end may terminate by a settlement agreement that compensates and releases the claims of persons who could not and did not assert those claims as named plaintiffs. *See also State Farm Fire & Cas. Co. v. Tashire*, 386 U.S. 523, 530-531 (1967) (constitutional requirements for diversity jurisdiction not defeated by the addition of non-diverse parties).

The plain language of § 411(a) affords no basis for construing it to deprive the District Court of subject matter jurisdiction to approve the settlement agreement here or to certify the class in that connection, and we see no basis for consulting its purpose and history. Nonetheless, those too point in the same direction, as carefully explained by the Nimmer treatise. *See 2 Nimmer on Copyright* § 7.16[C][3].

2. *Exxon* strongly supports this conclusion, and *Amchem Prods. v. Windsor*, 521 U.S. 591, 612-13 (1997), is inapposite to the jurisdictional issue posed by the panel's Order.

The issue in *Exxon* was whether 28 U.S.C. § 1367 authorized supplemental jurisdiction over claims of other plaintiffs (including class members) in the same case or controversy if those claims were for less than the jurisdictional amount. The Court held that when a "well pleaded complaint contains at least one claim that satisfies the amount-in controversy requirement . . .the district court, beyond all question, has original jurisdiction over that claim":

> The presence of other claims in the complaint, over which the district court may lack original jurisdiction, is of no moment. If the court has original jurisdiction over a single claim in the complaint, it has original jurisdiction over a "civil action" within the meaning of § 1367(a), even if the civil action over which it has jurisdiction comprises fewer claims than were included in the complaint. Once the court determines it has original jurisdiction over the civil action, it can turn to the question of whether it has a constitutional and statutory basis for exercising supplemental jurisdiction over the other claims in the action.

Exxon, 545 U.S. at 559. Here, the District Court clearly had original jurisdiction over the lawsuit under 28 U.S.C. § 1338 (because the action arises under the copyright law), and § 411(a)'s precondition was satisfied (because every claim of every named plaintiff concerned a registered work). Under *Exxon*, the District Court accordingly had original jurisdiction over the action and the power to exercise all the Article III power that courts have to certify classes and resolve cases properly before them.

Amchem mandates no different conclusion. The holding there affirmed the Third Circuit's judgment that a class action should not have been certified in an asbestos class action because plaintiffs had not satisfied the requirements of Rule 23 as to common-issue predominance and adequacy of representation. The decision turned entirely on Rule 23 requirements, and the Court rendered no holding whatever with respect to subject matter jurisdiction. While Justice Kennedy's opinion for the majority *mentioned* the objector's alternative argument that the class claims were beyond the court's subject matter jurisdiction, it did not decide that issue, which was subsequently put to rest by *Exxon's* holding that only the named plaintiffs and not class members must meet the requirements for subject matter jurisdiction.

For all the above reasons, the District Court had subject matter jurisdiction over the action, and therefore the power to certify the settlement class and approve the final judgment consistent with Rule 23(e).

Very truly yours,

/s/ Charles S. Sims
Charles S. Sims

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cc: Michael Boni, Counsel for Plaintiffs-Appellees
Charles Chalmers, Counsel for Appellants
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SUPPLEMENTAL BRIEF

(14)

No. 08-103

Supreme Court, U.S.
FILED
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IN THE

Supreme Court of the United States

REED ELSEVIER INC., ET AL.,

Petitioners,

v.

IRVIN MUCHNICK, ET AL.,

Respondents.

On a Writ of Certiorari
to the United States Court of Appeals
for the Second Circuit

SUPPLEMENTAL BRIEF FOR THE MUCHNICK RESPONDENTS

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TABLE OF CONTENTS

TABLE OF AUTHORITIES ii

SUPPLEMENTAL BRIEF FOR THE MUCHNICK RESPONDENTS 1

CONCLUSION 5

TABLE OF AUTHORITIES

Cases

Amchem Prods. Inc. v. Windsor, 521 U.S. 591 (1997) 4

Exxon Mobil Corp. v. Allapattah Servs., Inc. 545 U.S. 546 (2005) 2

Ortiz v. Fibreboard Corp., 527 U.S. 815 (1999) 4

Reed Elsevier, Inc. v. Muchnick, 129 S. Ct. 1523 (2009) 1

Statutes

17 U.S.C. § 411 ..... *passim*

28 U.S.C. § 1331 2

17 U.S.C. § 1338(a) 2

28 U.S.C. § 1367 ..... *passim*

SUPPLEMENTAL BRIEF FOR THE MUCHNICK RESPONDENTS

Our opening brief explains how supplemental jurisdiction under 28 U.S.C. § 1367 can provide a basis for adjudicating claims involving unregistered copyrights in U.S. works. Muchnick Resp. Br. 36-44. In response, the amicus curiae appointed by this Court argues that the availability of supplemental jurisdiction "fall[s] outside the Court's limited grant of certiorari." Brief of Court-Appointed Amicus Curiae at 66. She is incorrect. The availability of jurisdiction under Section 1367(a) falls squarely within the Question Presented. Moreover, the argument was pressed and passed on below. Accordingly, this Court should decide the issue and remand for further proceedings along the lines we describe below.[1]

1. a. This Court granted certiorari on the question whether 17 U.S.C. § 411(a) "restrict[s] the subject matter jurisdiction of the federal courts over copyright infringement actions." *Reed Elsevier, Inc. v. Muchnick*, 129 S. Ct. 1523, 1523 (2009). As the history of this litigation shows, one answer to that question turns on the interplay between Section 411(a) and Section 1367(a). One might respond to

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[1] The Muchnick respondents are filing this Supplemental Brief because the briefing schedule set by this Court at the parties' suggestion was designed so that we would file our brief within two weeks of the petitioners'. While this gave us ample opportunity to respond to petitioners' arguments, it did not provide us with an opportunity to respond to the arguments made by the Court-appointed amicus.

the Court's question as the court of appeals did: Section 411(a) "restrict[s] the subject matter jurisdiction of the federal courts" because it "denies," Pet. App. 26a, district courts the jurisdiction that Section 1367(a) could otherwise confer. Or one might answer the question the way that we and the Pogrebin respondents urge this Court to do: even assuming that Section 411(a) restricts the original jurisdiction conferred on district courts by 28 U.S.C. §§ 1331 and 1338(a) to claims involving registered works,[2] Section 411(a) does not "restrict" the *supplemental* subject matter jurisdiction of the federal courts conferred by Section 1367(a). *See* Muchnick Resp. Br. 36-44; Pogrebin Resp. Br. 18-22.

b. The consolidated complaint in this case expressly invoked supplemental jurisdiction under 28 U.S.C. § 1367. J.A. 82. So it is hardly surprising that in its order requiring briefing on the jurisdictional issue, the court of appeals cited *Exxon Mobil Corp. v. Allapattah Services, Inc.*, 545 U.S. 546 (2005), a case concerning the construction of Section 1367. *See* Pet. App. 47a. The parties briefed and argued the issue, asserting that jurisdiction was available under Section 1367(a). *See* Def. C.A. Letter Br. 4 (Feb. 12, 2007); Letter from Counsel for the

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[2] It is a misnomer to say that Section 411(a) is the source of district courts' subject-matter jurisdiction over a copyright claim. Their jurisdiction comes from the general federal-question jurisdictional statute and the copyright-specific jurisdictional statute, and the question is whether Section 411(a) limits that jurisdiction.

Plaintiffs-Appellees 1 (Feb. 15, 2007) (joining in the defendant-appellees' argument).

c. The court of appeals' decision reinforces the conclusion that the Question Presented fairly contains the issue of supplemental jurisdiction. The court of appeals recognized that "the supplemental jurisdiction statute might provide an alternative source of jurisdiction" to original jurisdiction. Pet. App. 25a. In the end, the court of appeals concluded that supplemental jurisdiction was unavailable in language that parallels this Court's question: Section 1367(a), it explained, "excepts from its reach those cases in which another federal statute denies jurisdiction." Pet. App. 26a. The court of appeals then concluded that while it was "[t]rue" that "section 411(a) does not refer to § 1367(a)," Pet. App. 27a, it nonetheless constituted a statute "expressly provid[ing] otherwise," 28 U.S.C. § 1367(a), with respect to the presumptive availability of supplemental jurisdiction. Pet. App. 27a.

In light of this litigation history, the most sensible reading of this Court's Question Presented encompasses the issue of whether Section 411(a) cuts off supplemental jurisdiction. For the reasons set out in the Muchnick and Pogrebin respondents' briefs, Section 411(a) does not.

2. This Court's appointed amicus curiae also argues briefly that supplemental jurisdiction is unavailable in this case because this litigation involves "thousands of unrelated controversies," rather than a set of related claims. Brief of Court-Appointed Amicus Curiae at 68. We disagree. *See* Muchnick Resp. Br. 37-39 (outlining the related nature of the claims). But because the court of appeals held as a categorical

matter that the claims involving unregistered U.S. works could *never* be adjudicated pursuant to a court's supplemental jurisdiction, Pet. App. 26a-27a, the courts below never addressed the factbound question whether the specific claims involving unregistered works at issue here are sufficiently related to the claims advanced by the named plaintiffs to make supplemental jurisdiction appropriate. Accordingly, this Court should not address that question in the first instance. Rather, it should direct the lower courts to address that issue on remand.

3. While the Court's "limited grant of certiorari," Brief of Court-Appointed Amicus Curiae at 66, fairly encompasses the question whether supplemental jurisdiction is potentially available, it does not extend to the question whether, under the facts of this case, the district court should have permitted the named plaintiffs to represent a class including holders of unregistered copyrights in U.S. and foreign works. As the briefs of the Court-appointed amicus curiae (Br. 8-10, 60-61) and amici curiae Computer & Communications Industry Association and NetCoalition (Br. 8-10) set out, and as the Muchnick respondents argued below (Br. 8-9, 45-46), the proposed settlement in this case raises serious questions of fairness and the adequacy of representation with respect to the claims assigned to Category C.

This Court has recognized that on occasion it may be appropriate for courts to address dispositive Rule 23 issues before turning to complex jurisdictional questions. *See Amchem Prods. Inc. v. Windsor,* 521 U.S. 591, 612 (1997); *Ortiz v. Fibreboard Corp.,* 527 U.S. 815, 831 (1999) (citing *Amchem*). If this Court

holds, as we urge, that even if Section 411(a) does not permit the exercise of original jurisdiction over claims involving unregistered U.S. works, Section 1367(a) permits the exercise of supplemental jurisdiction over such claims in conjunction with the adjudication of claims involving registered works, it might be appropriate on remand for the courts below first to address the Rule 23 question whether the named plaintiffs will adequately represent the interests of the class members before determining the scope of their supplemental jurisdiction.

CONCLUSION

For the foregoing reasons and the reasons stated in the Muchnick respondents' opening brief, the judgment of the court of appeals should be reversed and the case should be remanded for the court of appeals to address the fairness of the proposed settlement.

Respectfully submitted,

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September 11, 2009

AMICUS CURIAE BRIEF

No. 08-103

In the Supreme Court of the United States

REED ELSEVIER, INC., ET AL., PETITIONERS

v.

IRVIN MUCHNICK, ET AL

ON WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

BRIEF FOR THE UNITED STATES AS AMICUS CURIAE SUPPORTING VACATUR AND REMAND

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QUESTION PRESENTED

Whether 17 U.S.C. 411(a) restricts the subject-matter jurisdiction of the federal courts over copyright infringement actions.

TABLE OF CONTENTS

Page

Interest of the United States 1
Statement 2
Summary of argument 10
Argument:
I. Section 411(a) does not limit the subject-matter jurisdiction of the federal courts 12
II. Section 411(a) is a mandatory prerequisite to suit that ordinarily should be raised *sua sponte* by district courts 19
A. Section 411(a) is a mandatory prerequisite to suit that should be strictly enforced when raised by a party 20
B. Section 411(a)'s registration requirement ordinarily should be enforced *sua sponte* by district courts, but non-compliance with that requirement provides no basis for vacatur of the judgment in this case 25
Conclusion 31

TABLE OF AUTHORITIES

Cases:

Apple Barrel Prods., Inc. v. *Beard*, 730 F.2d 384 (5th Cir. 1984) 24
Arbaugh v. *Y&H Corp.*, 546 U.S. 500 (2006) ..... *passim*
Arizona v. *California*, 530 U.S. 392 (2000) 20, 25
Atari Games Corp. v. *Oman*, 888 F.2d 878 (D.C. Cir. 1989) 24
Batjac Prods. Inc. v. *GoodTimes Home Video Corp.*, 160 F.3d 1223 (9th Cir. 1998), cert. denied, 526 U.S. 1158 (1999) 24

Cases—Continued: Page

Bowles v. *Russell*, 127 S. Ct. 2360 (2007) 16, 18
Brickwood Contractors, Inc. v. *Datanet Eng'g, Inc.*, 369 F.3d 385 (4th Cir. 2004) 28
Brooks-Ngwenya v. *Indianapolis Public Sch.*, 564 F.3d 804 (7th Cir. 2009) 25
Carlisle v. *United States*, 517 U.S. 416 (1996) 28
Carol Barnhart Inc. v. *Economy Cover Corp.*, 773 F.2d 411 (2d Cir. 1985) 24
Eberhart v. *United States*, 546 U.S. 12 (2005) 9, 17
Day v. *McDonough*, 547 U.S. 198 (2006) ..... *passim*
Feist Publ'ns, Inc. v. *Rural Tel. Serv. Co.*, 499 U.S. 340 (1991) 3
Fogerty v. *Fantasy, Inc.*, 510 U.S. 517 (1994) 30
Grubbs v. *General Elec. Credit Corp.*, 405 U.S. 699 (1972) 28
Hallstrom v. *Tillamook County*, 493 U.S. 20 (1989) ..... *passim*
Harper & Row, Publishers, Inc. v. *Nation Enters.*, 471 U.S. 539 (1985) 2
John Muller & Co. v. *New York Arrows Soccer Team, Inc.*, 802 F.2d 989 (8th Cir. 1986) 24
John R. Sand & Gravel Co. v. *United States*, 128 S. Ct. 750 (2008) 10, 15, 17
Kontrick v. *Ryan*, 540 U.S. 443 (2004) 12, 27, 28
La Resolana Architects, PA v. *Clay Realtors Angel Fire*, 416 F.3d 1195 (10th Cir. 2005) 18, 24
Landgraf v. *USI Film Prods.*, 511 U.S. 244 (1994) 14
Mackay v. *Uinta Devel. Co.*, 229 U.S. 173 (1913) 26

Cases—Continued: Page

Morris v. *Business Concepts, Inc.*, 259 F.3d 65 (2d Cir. 2001) 9
Munsell v. *Department of Agric.*, 509 F.3d 572 (D.C. Cir. 2007) 21
New York Times Co. v. *Tasini*, 533 U.S. 483 (2001) ... 7, 30
Norris Indus., Inc. v. *International Tel. & Tel. Corp.*, 696 F.2d 918 (11th Cir. 1982), cert. denied, 464 U.S. 818 (1983) 24
Rockwell Int'l Corp. v. *United States*, 549 U.S. 457 (2007) 15
Scarborough v. *Principi*, 541 U.S. 401 (2004) 18
Sierra Club v. *Yeutter*, 926 F.2d 429 (5th Cir. 1991) 28
Silber v. *United States*, 370 U.S. 717 (1962) 28
Southco, Inc. v. *Kanebridge Corp.*, 390 F.3d 276 (3d Cir. 2004), cert. denied, 546 U.S. 813 (2005) 24
Steel Co. v. *Citizens for Better Env't*, 523 U.S. 83 (1998) 19
Torres-Negrón v. *J&N Records, LLC*, 504 F.3d 151 (1st Cir. 2007) 23, 24
United States v. *Brockamp*, 519 U.S. 347 (1997) 11, 21
United States v. *Cotton*, 535 U.S. 625 (2002) 28
United States v. *Dalm*, 494 U.S. 596 (1990) 10, 16
United States v. *MacDonald*, 435 U.S. 850 (1978) 28
United States v. *Mitchell*, 518 F.3d 740 (10th Cir. 2008) 25, 26
United States v. *Olano*, 507 U.S. 725 (1993) 19
Vacheron & Constantin-Le Coultre Watches, Inc. v. *Benrus Watch Co.*, 260 F.2d 637 (2d Cir. 1958) 14

Cases—Continued: Page

Well-Made Toy Mfg. Corp. v. *Goffa Int'l Corp.*, 354 F.3d 112 (2d Cir. 2003) 9
Wright v. *Warner Books, Inc.*, 953 F.2d 731 (2d Cir. 1991) 24
Zipes v. *TWA*, 455 U.S. 385 (1982) 10, 13, 14, 16, 17, 19

Statutes, regulations and rules:

Berne Convention Implementation Act of 1988, Pub. L. No. 100-568, 102 Stat. 2853 17
Copyright Act, 17 U.S.C. 101 *et seq.* 2
17 U.S.C. 102(a) 2, 3
17 U.S.C. 102(b) 3, 30
17 U.S.C. 106 ..... 2, 5
17 U.S.C. 407 14
17 U.S.C. 407(a) 4
17 U.S.C. 407(b) 4
17 U.S.C. 407(d) 4
17 U.S.C. 408(a) 3, 5
17 U.S.C. 408(b) 3, 4
17 U.S.C. 408(f) 22
17 U.S.C. 408(f)(2) 5
17 U.S.C. 408(f)(3) 5
17 U.S.C. 408(f)(4) 6, 22
17 U.S.C. 409 3
17 U.S.C. 410(a) 3
17 U.S.C. 410(b) 4
17 U.S.C. 410(c) 6, 23
17 U.S.C. 410(d) 6

Statutes, regulations and rules—Continued: Page

17 U.S.C. 411(a) ..... *passim*
17 U.S.C. 412 6
17 U.S.C. 501(a) 2
17 U.S.C. 501(b) 21
17 U.S.C. 502 2
17 U.S.C. 504 2
17 U.S.C. 701(a) 3
17 U.S.C. 701(b)(2) 3
Prioritizing Resources and Organization for Intellectual Property Act of 2008, Pub. L. No. 110-403, § 101(a)(5), 122 Stat. 4257 (17 U.S.C. 411(b)) 6, 23
Resource Conservation and Recovery Act of 1976, 42 U.S.C. 6972(b)(1) 21
7 U.S.C. 2707(e)(3) 15
7 U.S.C. 6912(e) 21
16 U.S.C. 814 15
28 U.S.C. 1331 ..... 7, 10, 13
28 U.S.C. 1338(a) 7, 10, 13
28 U.S.C. 1367(a) 9
28 U.S.C. 2107(a) 16
28 U.S.C. 2412(d)(1) 18
31 U.S.C. 3730(e)(4)(A) 15
35 U.S.C. 2(b)(8)-(12) 2
42 U.S.C. 2000e(b) 13
42 U.S.C. 2000e-5(f)(3) 13

Regulations and rules—Continued: Page

37 C.F.R. :
Section 201.1 3
Section 202.1(b) 3
Section 202.16(b)(1) 5
Fed. R. App. P. 4(b) 26
Fed. R. Civ. P.:
Rule 11 29
Rule 12(h) 27
Fed. R. Crim. P.:
Rule 29 28
Rule 33 ..... 9, 17
Rule 52(b) 19

Miscellaneous:

H.R. Rep. No. 7083, 59th Cong., 2d Sess.(1907) 4, 22
H.R. Rep. No. 1476, 94th Cong., 2d Sess. (1976) 14, 16
H.R. Rep. No. 609, 100th Cong., 2d Sess. (1988) 17, 22, 23
H.R. Rep. No. 33, 109th Cong., 1st Sess. Pt. I (2005) 5, 22
5C Charles Allen Wright & Arthur R. Miller, *Federal Practice and Procedure* (3d ed. 2004) 27
Library of Congress, *Annual Report of the Librarian of Congress for the Fiscal Year Ending September 30, 2007* (2008) 5
Office of the Att'y Gen., U.S. Dep't of Justice, *Report of the Department of Justice's Task Force on Intellectual Property* (Oct. 2004) 2

Miscellaneous—Continued: Page

U.S. Copyright Office, *Annual Report of the Register of Copyrights, Fiscal Year Ending September 30, 2007* (Sept. 30, 2007) 4, 22

In the Supreme Court of the United States

No. 08-103

REED ELSEVIER, INC., ET AL., PETITIONERS

v.

IRVIN MUCHNICK, ET AL

ON WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

BRIEF FOR THE UNITED STATES AS AMICUS CURIAE SUPPORTING VACATUR AND REMAND

INTEREST OF THE UNITED STATES

Section 411(a) of the Copyright Act (Act) provides that "no action for infringement of the copyright in any United States work shall be instituted until preregistration or registration of the copyright claim has been made in accordance with this title" or registration has been refused. 17 U.S.C. 411(a). This case presents the question whether that provision limits the subject-matter jurisdiction of the federal courts.

The United States has significant responsibilities related to, and derives important benefits from, the registration of creative works under the Copyright Act. The United States Copyright Office, headed by the Register of Copyrights (Register), is responsible for administering the registration system and determining whe-

ther works meet the requirements for registration. In addition, the Act's registration provisions ensure that the Register's views are considered in copyright litigation, and facilitate the acquisition of creative works by the Library of Congress.

The registration requirement is also of interest to the United States Patent and Trademark Office, which advises the President and other agencies on matters of intellectual property policy, see 35 U.S.C. 2(b)(8)-(12), and which advocates the effective protection of intellectual property. Finally, the requirement is of interest to the Department of Justice, which has recognized the principal role of civil enforcement in the effort to combat copyright violations. See Office of the Att'y Gen., U.S. Dep't of Justice, *Report of the Department of Justice's Task Force on Intellectual Property* 39 (Oct. 2004).

STATEMENT

1. The Copyright Act, 17 U.S.C. 101 *et seq.*, grants copyright protection to "original works of authorship fixed in any tangible medium of expression." 17 U.S.C. 102(a). Copyright protection "vest[s] in the author of an original work from the time of its creation," *Harper & Row, Publishers, Inc.* v. *Nation Enters.*, 471 U.S. 539, 546-547 (1985), and confers on the author certain exclusive statutory rights, including the rights to copy, distribute, and perform the copyrighted work. 17 U.S.C. 106. Anyone who violates those rights "is an infringer of the copyright," and may be liable for damages or injunctive relief. 17 U.S.C. 501(a), 502, 504.

The Copyright Act establishes a permissive scheme of registration and deposit of copyrighted works, which is administered by the Register of Copyrights, as direc-

tor of the Copyright Office. 17 U.S.C. 701(a).[1] An owner of a copyright "may obtain registration of the copyright" by sending to the Copyright Office a copy of the work, along with an application containing information about the work and the application fee. 17 U.S.C. 408(a) and (b), 409.

In determining whether to grant an application for registration, the Copyright Office's examiners analyze whether "the material deposited constitutes copyrightable subject matter and * * * the other legal and formal requirements of this title have been met." 17 U.S.C. 410(a). To "constitute[] copyrightable subject matter," the work must display the minimal degree of creativity necessary to be a "work[] of authorship." 17 U.S.C. 102(a); 37 C.F.R. 202.1; *Feist Publ'ns, Inc.* v. *Rural Tel. Serv. Co.*, 499 U.S. 340, 345 (1991). The Act provides a non-exhaustive list of categories of works that constitute "works of authorship," including "literary works," "musical works," and "sound recordings." 17 U.S.C. 102(a). The Register has promulgated regulations identifying certain categories of works that generally are *not* subject to protection, including "[w]orks consisting entirely of information that is common property containing no original authorship," such as standard calendars and schedules of sporting events; fonts; slogans; and blank forms. 37 C.F.R. 202.1. In addition, ideas and the like—including methods, processes, and systems—may not be registered because they are not entitled to copyright protection. 17 U.S.C. 102(b); 37 C.F.R. 202.1(b).

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[1] The Register is responsible more broadly for "[a]ll administrative functions and duties" under the Copyright Act. 17 U.S.C. 701(a). In addition to overseeing copyright registration and other copyright formalities, the Register's responsibilities include assisting the judiciary and the government with "issues relating to copyright." 17 U.S.C. 701(b)(2).

If the Register concludes that the work contains copyrightable material, "the Register shall register the claim and issue to the applicant a certificate of registration under the seal of the Copyright Office." 17 U.S.C. 410(b). If the Register determines that "the material deposited does not constitute copyrightable subject matter or that the claim is invalid for any other reason," the Register must refuse to register the work and "notify the applicant in writing of the reasons for such refusal." *Ibid.*[2]

Registration of creative works confers significant benefits on the Library of Congress and the public. See H.R. Rep. No. 7083, 59th Cong., 2d Sess. 8 (1907) (registration requirement in the 1909 Copyright Act was enacted "[f]or the protection of the public itself"). The copy of the work that a registration applicant must deposit with the Copyright Office or the Library of Congress is, in the case of published works, as well as unpublished works that are requested by the Library, ordinarily transferred to the collections of the Library of Congress. 17 U.S.C. 407(b), 408(b). The registration system therefore serves as a major source of the Library's acquisitions.[3] See U.S. Copyright Office, *Annual Report of the Register of Copyrights, Fiscal Year Ending September 30, 2007*, at 13-14, 16 (Sept. 30, 2007)

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[2] We are informed by the Copyright Office that it typically registers approximately 98-99% of the claims submitted to it. In fiscal year 2007, the Office received 541,212 claims. U.S. Copyright Office, *Annual Report of the Register of Copyrights, Fiscal Year Ending September 30, 2007*, at 11 (Sept. 30, 2007).

[3] Owners of copyrights in published works generally are required to deposit one or more copies of their works with the Copyright Office, regardless of whether the owner chooses to register the work. See 17 U.S.C. 407(a). But the penalties for noncompliance with this requirement are modest, 17 U.S.C. 407(d), and rarely enforced.

(*Copyright Report*); Library of Congress, *Annual Report of the Librarian of Congress for the Fiscal Year Ending September 30, 2007*, at 25 (2008) ("Each year, the Copyright Office registers more than 500,000 claims and transfers more than 1 million copyrighted works to the Library's collection through the copyright deposit system."). Registration also enables the Copyright Office to compile a public record of copyright claims, and the deposited copies provide definitive evidence of what the work was at the time of registration.

2. Because registration "is not a condition of copyright protection," 17 U.S.C. 408(a), the author of a copyrightable work possesses the exclusive statutory rights set forth in 17 U.S.C. 106 even if he has not filed a registration application with the Copyright Office. The filing of such an application is, however, a statutory prerequisite to the commencement of an infringement suit. Section 411(a) provides that "no action for infringement of the copyright in any United States work shall be instituted until preregistration or registration of the copyright claim has been made in accordance with this title." 17 U.S.C. 411(a).[4] If the Register has refused to register

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[4] "Preregistration" is a pre-publication procedure that may be employed for certain categories of works that the Register has determined have "a history of infringement prior to authorized commercial distribution." 17 U.S.C. 408(f)(2); 37 C.F.R. 202.16(b)(1); H.R. Rep. No. 33, 109th Cong., 1st Sess. Pt. I, at 4-5 (2005). Preregistration is not a substitute for registration; within three months after the work is published, the copyright owner must submit an application for registration. 17 U.S.C. 408(f)(3). To reinforce that requirement, the statute further provides that, when an infringement of a preregistered work occurs within two months after first publication of the work, an infringement suit must be dismissed unless the copyright owner applies for registration no later than one month after discovering the infringement (or

the work, "the applicant is entitled to institute an action for infringement if notice thereof, with a copy of the complaint, is served on the Register of Copyrights." *Ibid.* Thus, a suit for infringement may not be "instituted" until the putative copyright owner has applied to register her copyright and the Register has either granted or denied that application. If a person whose application was denied files suit for infringement, the Register may intervene in the action "with respect to the issue of registrability of the copyright claim" in order to defend her decision not to register the copyright. *Ibid.*

In a suit for infringement of a registered copyright, a registration certificate issued within five years after the work's first publication constitutes "prima facie evidence of the validity of the copyright and of the facts stated in the certificate." 17 U.S.C. 410(c). That rebuttable presumption obviates the need for the plaintiff to prove that the relevant work is copyrightable, and that she owns the copyright, if the defendant does not contest those points.[5] In addition, statutory damages and attorneys' fees are generally unavailable for infringement that occurs before the effective date of registration. 17 U.S.C. 412; 17 U.S.C. 410(d). Thus, although a plaintiff who has submitted a registration application can file suit

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within three months after publication if that date comes earlier). 17 U.S.C. 408(f)(4).

[5] If a defendant challenges the presumption on the ground that the certificate contains inaccurate information that was knowingly submitted in the registration application, "the court shall request the Register of Copyrights to advise the court whether the inaccurate information, if known, would have caused the Register of Copyrights to refuse registration." See Prioritizing Resources and Organization for Intellectual Property Act of 2008, Pub. L. No. 110-403, § 101(a)(5), 122 Stat. 4257 (amending 17 U.S.C. 411 to add a new Subsection (b)).

for infringement even if the application is denied, the Register's granting of the application has significant consequences for the conduct of the litigation.

3. This case involves consolidated class actions for copyright infringement. J.A. iii. Respondents—the plaintiffs in the district court—include large numbers of freelance authors of newspaper and magazine articles who allege that their copyrights were infringed by unauthorized reproduction and publication of their works in electronic databases. J.A. 1, 16-17, 48-49, 69-72, 80-81. Respondents sued petitioners—publishers and online database companies—in the United States District Court for the Southern District of New York. Respondents invoked the subject-matter jurisdiction of the district court under 28 U.S.C. 1331, which confers jurisdiction over civil actions arising under federal law, and 28 U.S.C. 1338(a), which provides that the district courts "shall have original jurisdiction of any civil action arising under any Act of Congress relating to * * * copyrights." See J.A. 4, 49, 69, 82.

In *New York Times Co.* v. *Tasini*, 533 U.S. 483 (2001), this Court confirmed "the basic soundness of [respondents'] liability theory," Pet. App. 6a, by holding that publishers were required to obtain licenses from freelance authors in order to reproduce and distribute their articles in electronic databases. Following the Court's decision in *Tasini*, the parties to the instant suits engaged in almost four years of negotiations, resulting in a global settlement agreement among freelance author groups, publishers, and electronic database companies. *Id.* at 7a-9a. The settlement agreement provides that petitioners will compensate a large class of freelance authors whose work has been reproduced electronically. J.A. 116-136. In return, the authors agree to

release all past, present, and future claims arising from the use of their articles in the databases, regardless of whether their works are registered. J.A. 113-114, 139-143. The agreement covers many works that are not registered, but it is structured to provide greater compensation to the authors of works that were registered at the relevant time. Pet. App. 8a.

The parties submitted the proposed settlement to the district court. Pet. App. 9a. Some class members (the Muchnick respondents) opposed the motion for class certification and settlement, arguing that the compensation provided under the settlement was inequitably distributed. *Ibid.* The objecting class members did not contend, however, that 17 U.S.C. 411(a) barred the court from certifying a class, or approving a settlement, that encompassed plaintiffs whose copyrights were unregistered. Pet. App. 9a. The district court certified the class described in the agreement and entered a final judgment approving the settlement. *Id.* at 9a-10a.

4. The Muchnick respondents appealed. Although no party contended on appeal that Section 411(a) limited the court's jurisdiction to claims based on registered copyrights, the court of appeals *sua sponte* ordered the parties to address the district court's subject-matter jurisdiction. Pet. App. 9a-10a, 46a-47a. The parties all responded that the district court had jurisdiction to enter the judgment approving the settlement agreement. Pet. Br. 7.

The court of appeals vacated the district court's approval of the settlement and remanded for further proceedings. Pet. App. 1a-45a. Relying primarily on the Second Circuit's "binding precedent" and "the persuasive authority of our sister circuits," the court held that "[S]ection 411(a)'s registration requirement limits a dis-

trict court's subject matter jurisdiction to claims arising from registered copyrights only." *Id.* at 12a-13a (citing *Wall-Made Toy Mfg. Corp.* v. *Goffa Int'l Corp.*, 354 F.3d 112, 114, 115 (2d Cir. 2003), and *Morris* v. *Business Concepts, Inc.*, 259 F.3d 65, 72, 73 (2d Cir. 2001)). The court observed that, unlike provisions that govern the timing of particular steps in a case already within the court's jurisdiction, "[S]ection 411(a) creates a statutory condition precedent to the suit itself." *Id.* at 17a (citing, *inter alia*, *Eberhart* v. *United States*, 546 U.S. 12 (2005) (per curiam), and Fed. R. Crim. P. 33).

The court of appeals held that all claims within the certified class needed to satisfy Section 411(a)'s registration requirement, and that the named plaintiffs' satisfaction of that requirement was not sufficient to allow the class action to go forward. Pet. App. 20a-24a. The court found the registration requirement to apply even though the district court had approved the parties' settlement rather than adjudicating the claims on the merits. *Id.* at 24a n.7. The court further concluded that the supplemental jurisdiction statute, 28 U.S.C. 1367(a), did not authorize the district court to exercise jurisdiction over claims involving unregistered copyrights. Pet. App. 25a-27a. Based on its conclusion that "the District Court lacked jurisdiction to certify the class and approve the settlement agreement," the court of appeals vacated and remanded for further proceedings. *Id.* at 27a.

Judge Walker dissented. Pet. App. 27a-45a. He concluded that the text and history of Section 411(a), viewed in light of this Court's decisions, including *Arbaugh* v. *Y&H Corp.*, 546 U.S. 500 (2006), do not suggest that Congress intended the registration requirement to function as a jurisdictional limitation. Pet. App. 27a-38a.

Judge Walker also would have held that even if Section 411(a) were jurisdictional, the district court had authority to approve the settlement. *Id.* at 38a-45a.

SUMMARY OF ARGUMENT

I. The registration requirement contained in 17 U.S.C. 411(a) is not a jurisdictional prerequisite to a suit for copyright infringement. Section 411(a) has none of the attributes that this Court has identified as indicative of jurisdictional status. See *Arbaugh* v. *Y&H Corp.*, 546 U.S. 500, 514-515 (2006). The provision "does not speak in jurisdictional terms or refer in any way to the jurisdiction of the district courts." *Id.* at 515 (quoting *Zipes* v. *TWA*, 455 U.S. 385, 394 (1982)). It appears in the Copyright Act, grouped with other formal obligations placed on copyright owners, and is separate and distinct from the provisions that grant jurisdiction over copyright actions, 28 U.S.C. 1331 and 1338(a). Nor does any special circumstance—such as a settled construction by this Court, cf. *John R. Sand & Gravel Co.* v. *United States*, 128 S. Ct. 750, 756-757 (2008), or a relation to sovereign immunity, cf. *United States* v. *Dalm*, 494 U.S. 596, 608-610 (1990)—justify treating the registration requirement as jurisdictional in the absence of express statutory language to that effect.

II. This Court has recognized that although many non-jurisdictional requirements are subject to waiver, forfeiture, and equitable exceptions, see, *e.g.*, *Zipes*, 455 U.S. at 393, some should be enforced more rigidly, see *Hallstrom* v. *Tillamook County*, 493 U.S. 20, 23, 31 (1989), and some may be raised by the court on its own motion, see, *e.g.*, *Day* v. *McDonough*, 547 U.S. 198, 205, 209 (2006). In determining the appropriate method of implementing particular non jurisdictional require-

ments, this Court has considered the relevant statutory language, other indicia of congressional intent, and, in particular, the extent to which such requirements protect institutional or public interests beyond the interests of the parties to the litigation. See, *e.g.*, *id.* at 205-206; *Hallstrom*, 493 U.S. at 28-29.

In providing that "no action for infringement of the copyright in any United States work shall be instituted" until a registration application has been granted or denied, 17 U.S.C. 411(a), Congress used emphatic language that "cannot easily be read as containing implicit exceptions." *United States* v. *Brockamp*, 519 U.S. 347, 350 (1997). In addition, the registration requirement serves important public interests beyond those of the parties to an infringement suit. The requirement safeguards the source of a significant portion of the Library of Congress's acquisitions, and helps ensure that the Copyright Office maintains a public record of copyrighted works. Registration also gives courts the benefit of the Register's expertise on issues of registrability, and serves judicial economy by narrowing the issues that must be litigated.

Because Section 411(a)'s registration requirement is not primarily intended as a protection for the defendant, but instead serves broader public and governmental interests, the defendant's failure to raise non-compliance with that requirement as a ground for dismissal is not ordinarily a sufficient reason for the district court to excuse that failure. Rather, district courts typically should enforce that requirement *sua sponte*, and should decline to adjudicate an infringement suit on the merits when the plaintiff has not complied with the statutory prerequisite. Cf. *Day*, 547 U.S. at 205, 209. After judgment, however, Section 411(a), as a non-jurisdictional

provision, should be subject to the general rule that defenses or objections that are not raised prior to judgment are deemed forfeited. See *Kontrick* v. *Ryan*, 540 U.S. 443, 459 (2004).

ARGUMENT

I. SECTION 411(a) DOES NOT LIMIT THE SUBJECT-MATTER JURISDICTION OF THE FEDERAL COURTS

The registration requirement contained in 17 U.S.C. 411(a) is not a jurisdictional prerequisite to the district court's adjudication of a suit for copyright infringement. In recent years, this Court has distinguished between requirements that are genuinely jurisdictional, in that they define the scope of the courts' adjudicatory power, and rules that, however important and categorical, are not jurisdictional in nature and consequence because they address matters other than the courts' power to decide. See, *e.g.*, *Arbaugh* v. *Y&H Corp.*, 546 U.S. 500, 510-511, 515 (2006); *Kontrick* v. *Ryan*, 540 U.S. 443, 455-456 (2004). Under the analysis set out in these cases, Section 411(a)'s registration requirement is not jurisdictional.

A. In *Arbaugh*, the Court announced a general rule of construction that "when Congress does not rank a statutory limitation * * * as jurisdictional, courts should treat the restriction as nonjurisdictional in character." 546 U.S. at 516. In light of the significant consequences of characterizing a requirement as jurisdictional—a jurisdictional limit "can never be forfeited or waived," and *must* be raised *sua sponte*, regardless of the "unfair[ness] and waste of judicial resources" occasioned by doing so, *id.* at 514-515 (citation omitted; brackets in original)—the Court looked for clear indicia of congressional intent, *id.* at 513-516.

Applying that standard, the Court held that Title VII's limitation on coverage to defendants with at least 15 employees, 42 U.S.C. 2000e(b), is not jurisdictional. The Court emphasized that neither the general federal-question statute, 28 U.S.C. 1331, nor Title VII's jurisdictional provision, 42 U.S.C. 2000e-5(f)(3), contains any employee-numerosity requirement. *Arbaugh*, 546 U.S. at 514-515. Rather, "the 15-employee threshold appears in a separate provision that 'does not speak in jurisdictional terms or refer in any way to the jurisdiction of the district courts.'" *Id.* at 515 (quoting *Zipes* v. *TWA*, 455 U.S. 385, 394 (1982)). While recognizing that Congress "*could* make the employee-numerosity requirement 'jurisdictional,'" *id.* at 514, the Court declined to adopt that reading in the absence of any indication in the text or statutory structure that Congress so intended, *id.* at 515-516.

B. Under this Court's analysis in *Arbaugh*, Section 411(a)'s registration requirement is not jurisdictional. *First*, Congress broadly vested the federal district courts with original jurisdiction over copyright actions, without specifying that jurisdiction is in any way dependent on registration. Copyright actions are encompassed within the grant of federal-question jurisdiction in 28 U.S.C. 1331, cf. *Arbaugh*, 546 U.S. at 505, and also within the independent grant of jurisdiction over copyright and patent actions in 28 U.S.C. 1338(a). Section 1338(a) expansively confers jurisdiction over "any civil action" arising under "any" federal copyright statute. 28 U.S.C. 1338(a). Neither Section 1338(a) nor Section 1331 is confined by its terms to actions involving works that have been registered by the Copyright Office. Cf. *Arbaugh*, 546 U.S. at 515. Rather, the registration requirement appears in Chapter 4 of the Copyright Act,

which does not speak to the power or duties of the federal courts but instead imposes various obligations on copyright owners. See, *e.g.*, 17 U.S.C. 407 (requiring deposit of work in the Copyright Office).

Second, Section 411(a) does not "speak in jurisdictional terms," and it does not limit Title 28's grants of jurisdiction over copyright claims. See *Arbaugh*, 546 U.S. at 515 (quoting *Zipes*, 455 U.S. at 394). Rather, by providing that "no action for infringement * * * shall be instituted until preregistration or registration of the copyright claim has been made," 17 U.S.C. 411(a), the provision merely establishes steps that a copyright holder must take before filing suit. The provision thus speaks to the obligations of the parties rather than to the power of the court.[6] See *Arbaugh*, 546 U.S. at 505; see also *Landgraf* v. *USI Film Prods.*, 511 U.S. 244, 274 (1994) ("jurisdictional statutes speak to the power of the court rather than to the rights or obligations of the

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[6] Section 411(a) does mention "jurisdiction" once, in its final sentence, which states that when the Register has refused to register a work, the Register's decision not to intervene in a subsequent suit for infringement of that work "shall not deprive the court of jurisdiction to determine that issue." That sentence was enacted to overturn *Vacheron & Constantin-Le Coultre Watches, Inc.* v. *Benrus Watch Co.*, 260 F.2d 637 (2d Cir. 1958), in which the court of appeals held that copyright owners who had been refused registration were required to seek mandamus against the Register to obtain registration before they could sue for infringement. See H.R. Rep. No. 1476, 94th Cong., 2d Sess. 157 (1976). In referring to "jurisdiction to determine *that issue*," Congress indicated that the narrow import of the provision is to clarify that a copyright owner whose application for registration has been denied may have all issues—registrability as well as infringement—determined in one action against the infringer. Section 411(a)'s final sentence therefore has no bearing on the question whether Section 411(a) deprives the federal courts of subject-matter jurisdiction over certain copyright actions.

parties") (citation omitted). To be sure, Section 411(a) states the registration requirement in "emphatic" terms, but that does not suggest that the provision is jurisdictional. *Arbaugh*, 546 U.S. at 510; see *Hallstrom*, 493 U.S. at 31 (statutory requirement can be mandatory but not necessarily jurisdictional); pp. 20-24, *infra*.

Section 411(a)'s text is very different from the statutory language that this Court has found sufficient to demonstrate congressional intent to limit subject-matter jurisdiction. For example, in *Rockwell International Corp.* v. *United States*, 549 U.S. 457, 467-470 (2007), the Court held that 31 U.S.C. 3730(e)(4)(A), which states that "[n]o court shall have jurisdiction over an action under [the False Claims Act] based upon the public disclosure of allegations or transactions," was a sufficiently "clear and explicit withdrawal of jurisdiction" under *Arbaugh*. *Rockwell*, 549 U.S. at 468 (emphasis omitted). Other statutes that the Court has described as jurisdictional include 16 U.S.C. 814 ("district courts shall only have jurisdiction of cases when the amount claimed * * * exceeds $3,000"), and 7 U.S.C. 2707(e)(3) (district courts are "vested with jurisdiction to entertain" suits against persons subject to orders of the Egg Board). See *Arbaugh*, 546 U.S. at 515 n.11 (listing statutes).

Although the Court has occasionally accorded jurisdictional import to statutory requirements that do not use the term "jurisdiction," the concerns that underlay those decisions are not present here. For example, the Court has relied on *stare decisis* to hold that certain time limits are jurisdictional, despite the lack of any textual reference to jurisdiction. See *John R. Sand & Gravel Co.* v. *United States*, 128 S. Ct. 750, 753-754, 756-757 (2008) (relying on *stare decisis* to hold that the

statute of limitations governing the Court of Federal Claims is jurisdictional); *Bowles* v. *Russell*, 127 S. Ct. 2360, 2363-2364 & n.2 (2007) (citing a "century's worth of precedent" supporting the conclusion that 28 U.S.C. 2107(a)'s time limit for filing a notice of appeal is jurisdictional).[7] Similarly, in *United States* v. *Dalm*, 494 U.S. 596, 608-610 (1990), the Court relied on principles of sovereign immunity in holding that the statute of limitations for a tax recovery suit against the government should be construed as jurisdictional. Section 411(a), by contrast, does not implicate principles of sovereign immunity, and this Court has never before construed it to impose a jurisdictional rule.

Third, the legislative history of Section 411(a), like the text of the provision, describes the registration requirement in non-jurisdictional terms. Cf. *Zipes*, 455 U.S. at 394. The House Report on the Copyright Act of 1976 states that "copyright registration * * * is a condition of certain *remedies* for copyright infringement," H.R. Rep. No. 1476, 94th Cong., 2d Sess. 150 (1976) (emphasis added), and that "registration must be made before a suit for copyright infringement is instituted," *id.* at 157. The Report thus describes registration as an obligation of the plaintiff in an infringement suit, rather than as a prerequisite to the court's exercise of adjudicatory power. And in 1988, when Congress considered altering or repealing Section 411(a) in connection with

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[7] In addition, the statutory provision at issue in *Bowles* provides that, unless the notice of appeal in a federal civil case is filed in a timely fashion, "no appeal shall bring any judgment, order or decree * * * before a court of appeals for review." 28 U.S.C. 2107(a). Although Section 2107(a) does not use the term "jurisdiction," it speaks to the power of the court of appeals (rather than to the behavior of the litigant) by stating that an untimely notice of appeal will not bring the case to the court.

the Berne Convention Implementation Act of 1988, Pub. L. No. 100-568, 102 Stat. 2853, the committee reports described the requirement as a "prerequisite to suit," H.R. Rep. No. 609, 100th Cong., 2d Sess. 41 (1988), but nowhere suggested that repealing Section 411(a) would broaden the jurisdiction of the courts.

In holding that Section 411(a)'s registration requirement is jurisdictional, the court of appeals stated that Section 411(a) does not simply govern the conduct of proceedings *after* the court has asserted jurisdiction, but rather "creates a statutory condition precedent to the suit itself." Pet. App. 17a.[8] The same is true, however, of exhaustion requirements and statutes of limitation, which are ordinarily treated as non-jurisdictional even though they establish prerequisites to the plaintiff's commencement of suit. See *Day*, 547 U.S. at 205 (explaining that a "limitations defense resembles other threshold barriers" such as "exhaustion of state remedies" that are typically treated as "nonjurisdictional"); *John R. Sand & Gravel Co.*, 128 S. Ct. at 753 (explaining that "the law typically treats a limitations defense as an affirmative defense that the defendant must raise at the pleadings stage and that is subject to rules of forfeiture and waiver"); *Zipes*, 455 U.S. at 392-398. To be sure, if a particular requirement applies to litigation conduct

[8] In that regard, the court of appeals contrasted Section 411(a) with Federal Rule of Criminal Procedure 33, which establishes time limits for filing a post-verdict motion for a new trial in a federal criminal case. See Pet. App. 17a. In *Eberhart* v. *United States*, 546 U.S. 12 (2005) (per curiam), this Court held that the time limits established by Rule 33 are non-jurisdictional. The court of appeals in this case explained that, unlike Section 411(a)'s registration requirement, which by its terms applies to the initiation of suit, "Rule 33 merely sets forth a time limit for moving in a case that undoubtedly already falls within the district court's jurisdiction." Pet. App. 17a.

that can occur only after the court has acquired jurisdiction, that fact supports the conclusion that the requirement is non-jurisdictional. See *Scarborough* v. *Principi*, 541 U.S. 401, 413-414 (2004) (holding that requirements governing attorney-fee applications under 28 U.S.C. 2412(d)(1) are not jurisdictional, in part because those requirements "relate[] only to postjudgment proceedings auxiliary to cases already within th[e] court's adjudicatory authority"); *Bowles*, 127 S. Ct. at 2365. It does not follow, however, that every "statutory condition precedent" to the commencement of suit (Pet. App. 17a) is jurisdictional in nature.

In sum, there is no evidence that Congress intended to imbue the registration requirement with jurisdictional force. As in *Arbaugh*, requiring the courts to dismiss a copyright infringement action for lack of registration even after judgment could create "unfair[ness] and waste of judicial resources." 546 U.S. at 515 (citation omitted; brackets in original). In this case, for example, the court of appeals' invocation of Section 411(a) after judgment rendered the significant expenditure of resources by the parties and the mediator a nullity, and also vitiated the parties' agreement to provide authors compensation for the use of their copyrighted works. Even in a less wide-ranging case, requiring courts to treat the plaintiff's failure to register his copyright as a ground for setting aside a final judgment on appeal could work significant unfairness. The text, history, and purposes of Section 411(a) do not suggest that Congress intended such a result. *Ibid.*[9]

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[9] The court of appeals based its contrary decision primarily on decisions predating *Arbaugh* that characterize Section 411(a) in jurisdictional terms. Pet. App. 12a-13a; see, *e.g.*, *La Resolana Architects, PA* v. *Clay Realtors Angel Fire*, 416 F.3d 1195, 1200 (10th Cir. 2005).

II. SECTION 411(a) IS A MANDATORY PREREQUISITE TO SUIT THAT ORDINARILY SHOULD BE RAISED *SUA SPONTE* BY DISTRICT COURTS

Non-jurisdictional statutory threshold requirements are applied with varying degrees of rigorousness. Depending on the nature and purposes of the requirement at issue, such provisions may (or may not) be subject to waiver, forfeiture, equitable exceptions, *sua sponte* enforcement, or a combination thereof. See, *e.g.*, *Hallstrom*, 493 U.S. at 23; *Zipes*, 455 U.S. at 393; *Day*, 547 U.S. at 205, 209. Thus, Section 411(a)'s non-jurisdictional character does not by itself resolve the question whether an infringement suit should be dismissed for noncompliance with the registration requirement even when the defendant does not seek dismissal on that basis.[10]

In determining whether a particular rule is subject to equitable exceptions or may be raised by the court on its own motion, a key consideration is whether the rule is intended to benefit only the parties to the suit, or whe-

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These "drive-by jurisdictional rulings," see *Arbaugh*, 546 U.S. at 511 (quoting *Steel Co.* v. *Citizens for a Better Env't*, 523 U.S. 83, 91 (1998)), should be given little weight because they predate *Arbaugh* and did not apply the analytic approach that this Court articulated in that case.

[10] Federal Rule of Criminal Procedure 52(b) and this Court's decisions construing the Rule illustrate that district courts are sometimes required to address *sua sponte* issues that the parties have not identified. Rule 52(b) states that "[a] plain error that affects substantial rights may be considered even though it was not brought to the court's attention." The very concept of an "error" that "was not brought to the court's attention" presupposes that the trial court may sometimes be obligated to issue a legal ruling that neither party requests. See *United States* v. *Olano*, 507 U.S. 725, 733 (1993) ("Although in theory it could be argued that if the question was not presented to the trial court no error was committed by the trial court, * * * this is not the theory that Rule 52(b) adopts.") (brackets and citation omitted).

ther it serves broader systemic interests that the parties might not adequately represent. See, *e.g.*, *Hallstrom*, 493 U.S. at 24-26, 28-29; *Day*, 547 U.S. at 205, 209; cf. *Arizona* v. *California*, 530 U.S. 392, 412 (2000). Section 411(a)'s registration requirement falls in the latter category. By making the right to sue for copyright infringement contingent on registration, Congress sought to expand the Library of Congress's collection of copyrighted works, provide a public record of copyright ownership, and afford courts the benefit of the Copyright Office's expertise. In light of those considerations, district courts should strictly enforce the registration requirement in cases where the defendants raise the issue. Further, courts should ordinarily dismiss *sua sponte* infringement suits premised on unregistered copyrights, even when the defendant does not assert the plaintiff's non-compliance with Section 411(a) as a ground for dismissal. After judgment, however, defenses based on Section 411(a) should be considered forfeited, except in exceptional circumstances that are not present here.

A. Section 411(a) Is A Mandatory Prerequisite To Suit That Should Be Strictly Enforced When Raised By A Party

1. In *Hallstrom*, this Court recognized that a statutory prerequisite may be a "mandatory condition[] precedent to commencing suit" even if it is not jurisdictional.[11] 493 U.S. at 23, 26, 31. There, the Court considered the notice-and-delay provision of the Resource Conservation and Recovery Act of 1976 (RCRA), which applied to citizen suits against private parties for violating

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[11] The Court in *Hallstrom* left open the question of whether the relevant provision was "jurisdictional in the strict sense of the term," because resolving that question was not necessary to the Court's conclusion that the provision was mandatory. 493 U.S. at 31.

RCRA, and stated that "[n]o action may be commenced * * * prior to 60 days after the plaintiff has given notice" to, *inter alia*, the Administrator of the Environmental Protection Agency. 42 U.S.C. 6972(b)(1). The Court explained that, "[u]nder a literal reading of the statute, compliance with the 60-day notice provision is a mandatory, not optional, condition precedent for suit." *Hallstrom*, 493 U.S. at 26. The Court also observed that permitting equitable exceptions to the notice requirement could "frustrate[]" Congress's intent to allow government agencies the opportunity to enforce RCRA themselves upon learning of the allegations, and also to promote judicial economy by providing a window for voluntary compliance. *Id.* at 28-29; see *Brockamp*, 519 U.S. at 350-352 (time limit for filing tax recovery claim was mandatory in view of its "emphatic" language and furtherance of system-related interests); cf. *Munsell* v. *Department of Agric.*, 509 F.3d 572, 581 (D.C. Cir. 2007) (exhaustion requirement in 7 U.S.C. 6912(e) is "both mandatory and nonjurisdictional").

2. Section 411(a) similarly speaks in emphatic and facially unqualified terms: "*no action* for infringement * * * *shall be instituted until* preregistration or registration of the copyright claim has been made," (emphasis added). This language is most naturally read as creating a mandatory condition precedent to suit. See *Hallstrom*, 493 U.S. at 26, 31. That conclusion is reinforced by Section 501(b), which states that the "owner of an exclusive right under a copyright is entitled, *subject to the requirements of section 411*, to institute an action for any infringement." 17 U.S.C. 501(b) (emphasis added). That language confirms that the preconditions to suit set forth in Section 411(a), among which is registration of the copyright that is alleged to have been in-

fringed, are "requirements" upon which the right to sue depends.[12]

3. Like the notice requirement in *Hallstrom*, Section 411(a)'s registration requirement serves important purposes beyond protecting the interests of the parties in an individual suit. See H.R. Rep. No. 7083, 59th Cong., 2d Sess. 8 (1907) (registration requirement in the 1909 Copyright Act was enacted "[f]or the protection of the public itself"). The requirement encourages authors to deposit their creative works with the Copyright Office, thereby providing the Library of Congress with an important source of its acquisitions. See H.R. Rep. No. 609, *supra*, at 42 (emphasizing importance of this cost-free method of acquisition); *Copyright Report* 13 ("Copyright deposits form the core of the Library's 'Americana' collections and serve as the primary record of American creativity."). In addition, registration enables the Copyright Office to compile a record of copyrighted works, which serves as a valuable resource for those seeking to use copyrighted works lawfully. See *id.* at 12.

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[12] The Copyright Act's preregistration procedures demonstrate the high priority that Congress placed on registration. 17 U.S.C. 411(a); 408(f). The preregistration procedure was added to the Copyright Act in response to the increasing prevalence of pre-publication infringement, which cannot easily be remedied if the copyright owner must wait to obtain registration before suing for infringement. See H.R. Rep. No. 33, 109th Cong., 1st Sess. Pt. I, at 4-5 (2005). Although Section 411(a) permits a copyright owner to sue if she has preregistered her works, in order to "ensure that preregistered works are formally registered," *id.* at 5, Congress provided that failure to timely register renders the preregistration ineffective, and can mandate the dismissal of the suit. 17 U.S.C. 408(f)(4); see note 4, *supra*. These limitations reflect Congress's intent to permit suits prior to registration only in specific circumstances, and on the condition that the works are ultimately registered.

The registration requirement also ensures that the court in an infringement suit can consider the Copyright Office's judgment as to the copyrightability of the work. See, *e.g.*, H.R. Rep. No. 609, *supra*, at 41 ("Registration * * * assists the courts in resolving the underlying copyright dispute."); *id.* at 41-42 (Judicial Conference of the United States stated that elimination of registration requirement would cause "increased difficulty in trying copyright cases."); *Torres-Negrón* v. *J&N Records, LLC*, 504 F.3d 151, 161-162 (1st Cir. 2007). When registration is made within five years of the work's first publication, the certificate is "prima facie evidence of the validity of the copyright and of the facts stated in the certificate." 17 U.S.C. 410(c). Section 411 also contemplates active participation by the Copyright Office in certain infringement suits following its registration decision, either when the plaintiff files suit after his registration application has been denied, see 17 U.S.C. 411(a), or when the Copyright Office grants the application but the defendant subsequently alleges that the putative copyright owner's certificate contains intentionally inaccurate information, see Prioritizing Resources and Organization for Intellectual Property Act of 2008, Pub. L. No. 110-403, § 101(a)(5), 122 Stat. 4257. In addition, the registration requirement may sometimes obviate the need for the court to rule on infringement claims at all, since a potential plaintiff whose registration application is denied by the Copyright Office may forgo suit rather than challenge the Register's determination.

Although the lower courts are divided regarding the deference due the Register's registration decisions,[13]

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[13] A majority of courts of appeals to consider the issue defer to the Copyright Office's opinion on registrability in the context of an infringe-

Congress evidently intended the Register's expertise to serve as a resource to courts adjudicating copyright claims and contemplated an active role for the Register in certain infringement suits. The Register cannot perform those functions when copyright owners do not present their works for registration. Thus, in light of Section 411(a)'s mandatory language and the broad systemic purposes that the registration requirement serves, district courts should enforce that requirement rigorously when it is invoked by a party.[14]

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ment action. See *Torres-Negrón*, 504 F.3d at 161-162; *Southco, Inc.* v. *Kanebridge Corp.*, 390 F.3d 276, 286 (3d Cir. 2004) (en banc), cert. denied, 546 U.S. 813 (2005); *Batjac Prods. Inc.* v. *GoodTimes Home Video Corp.*, 160 F.3d 1223, 1230-1231 (9th Cir. 1998), cert. denied, 526 U.S. 1158 (1999); *John Muller & Co.* v. *New York Arrows Soccer Team, Inc.*, 802 F.2d 989, 990 (8th Cir. 1986); *Norris Indus., Inc.* v. *International Tel. & Tel. Corp.*, 696 F.2d 918, 922 (11th Cir. 1982), cert. denied, 464 U.S. 818 (1983). But see *Carol Barnhart Inc.* v. *Economy Cover Corp.*, 773 F.2d 411, 413-414 (2d Cir. 1985); *Atari Games Corp.* v. *Oman*, 888 F.2d 878, 887 (D.C. Cir. 1989) (Silberman, J., concurring); *Wright* v. *Warner Books, Inc.*, 953 F.2d 731, 742 (2d Cir. 1991).

[14] Section 411(a) requires the plaintiff to possess a registration certificate, to have been refused registration, or to have preregistered, at the time the suit is commenced. Although some courts have held that Section 411(a)'s precondition to suit is satisfied by simply filing an application for registration, see, *e.g.*, *Apple Barrel Prods., Inc.* v. *Beard*, 730 F.2d 384, 386-387 (5th Cir. 1984), those decisions are contrary to Section 411(a)'s plain text, and therefore incorrect. Section 411(a) unambiguously states that registration must have been "made in accordance with this title"—*i.e.*, granted by the Copyright Office—before a suit may be filed. See, *e.g.*, *La Resolana Architects, PA* v. *Clay Realtors Angel Fire*, 416 F.3d 1195, 1203-1205 (10th Cir. 2005). And although Section 411(a) allows the putative copyright owner to sue even if his registration application is denied, the statute clearly contemplates that the plaintiff will commence the suit only after the Copyright Office has acted on the application. See 17 U.S.C. 411(a) (providing that, where a properly submitted registration application "has been refused, the ap-

B. Section 411(a)'s Registration Requirement Ordinarily Should Be Enforced *Sua Sponte* By District Courts, But Non-Compliance With That Requirement Provides No Basis For Vacatur Of The Judgment In This Case

1. In light of the important public and judicial interests described above, district courts should ordinarily notice a plaintiff's non-compliance with Section 411(a) *sua sponte* even if the defendant does not move to dismiss on this ground. Cf. *Brooks-Ngwenya* v. *Indianapolis Pub. Sch.*, 564 F.3d 804, 808 (7th Cir. 2009) ("[C]ourts enforce mandatory (though non-jurisdictional) rules—even if the parties do not raise them—in a variety of ways.").

This Court has held that *sua sponte* enforcement can be appropriate where a non-jurisdictional rule or defense implicates extra-party interests. See *Day*, 547 U.S. at 205-206, 209 (holding that because the habeas statute of limitations "implicate[d] values beyond the concerns of the parties," including comity, finality, and judicial economy, the court had discretion to raise the defense *sua sponte*) (citation omitted); *Arizona*, 530 U.S. at 412-413 (holding that because the res judicata defense "is not based solely on the defendant's interest in avoiding the burdens of twice defending a suit, but is also based on the avoidance of unnecessary judicial waste," a court "may dismiss the action *sua sponte*" on this ground); see also *United States* v. *Mitchell*, 518 F.3d 740, 749-751 (10th Cir. 2008) (same as to the time limita-

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plicant is entitled to institute an action for infringement if notice thereof, with a copy of the complaint, is served on the Register of Copyrights"). Moreover, if the district court were to adjudicate an infringement suit on the merits while the plaintiff's application was pending before the Copyright Office, the court would be deprived of the Register's views on such issues as copyrightability.

tion in Federal Rule of Appellate Procedure 4(b)); cf. *Mackay* v. *Uinta Devel. Co.*, 229 U.S. 173, 176 (1913) (where procedural "provisions are for the benefit of the defendant * * * the court will not, of its own motion, inquire as to the regularity of the issue or service of the process").

Here, Congress has sought to encourage copyright owners to register their works by making registration a mandatory prerequisite to the commencement of an infringement suit. That requirement serves in part to further systemic goals such as the supplementation of the Library of Congress's collection and the creation of a public record of copyrighted works. The protection of those public interests should not depend on whether the defendant in a particular case identifies the plaintiff's non-compliance with the registration requirement as a ground for dismissal. Compliance with Section 411(a)'s threshold requirement also ensures that the court can take account of the Register's views on the issue of copyrightability. Cf. *Arizona*, 530 U.S. at 412-413; *Mitchell*, 518 F.3d at 749 (*sua sponte* adjudication can be appropriate "when the issue implicates the court's power to protect its own important institutional interests").

In light of these considerations, the district court in an infringement suit should ordinarily dismiss the complaint *sua sponte* if the plaintiff has failed to register her copyright, even if the defendant does not request that relief. Although the district court has discretion whether to enforce Section 411(a) *sua sponte*, see *Day*, 547 U.S. at 209, the concerns embodied in the provision would generally weigh strongly in favor of enforcement. A plaintiff's failure to register should ordinarily be evident at the outset of the lawsuit, when the court and the parties have not yet expended any resources. And be-

cause Section 411(a) furthers public and governmental interests beyond the concerns of the court and the parties to a particular case, the court should not decline to enforce the requirement *sua sponte* unless it is satisfied that the public interest will not be harmed thereby. Given that the interests of the Library of Congress and the public are best served by rigorous enforcement of Section 411(a), *sua sponte* dismissal will ordinarily be the proper course.[15]

2. A different rule should apply, however, in the courts of appeals. "Only lack of subject-matter jurisdiction is preserved post-trial," and non-jurisdictional barriers to relief are considered forfeited if not raised before judgment on the merits. *Kontrick*, 540 U.S. at 459; *ibid.* (timeliness issue "could be raised, at the latest, at the trial on the merits") (citation omitted); see Fed. R. Civ. P. 12(h); 5C Charles Allen Wright & Arthur R. Miller, *Federal Practice and Procedure* § 1394, at 557 (3d ed. 2004) ("A defense that has not been raised in a pleading, by motion, or at trial normally will be considered waived and cannot * * * be heard for the first

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[15] To be sure, Section 411(a) does not categorically require *sua sponte* dismissal in every case, and the district court may well have been justified in eschewing that course under the unusual circumstances of this case. All parties to the suit agreed that inclusion of unregistered works in some sort of global settlement was advisable; the named plaintiffs had registered their works; the court was not being asked to adjudicate the claims on the merits and therefore had less need of the Copyright Office's expertise; and the settlement served the public interest in increasing the availability of the materials to the public while recognizing the authors' copyright rights. In addition, the harm to the Library of Congress's interests appears to be insubstantial in a case like this one, which involves articles published in newspapers and other periodicals. The Library typically obtains copies of such works when the periodical itself is registered and/or deposited.

time on appeal."). The forfeiture-after-judgment rule applies with equal force to prerequisites to suit and other mandatory rules. See, *e.g.*, *Kontrick*, 540 U.S. at 456 (an "inflexible claim-processing rule * * * even if unalterable on a party's application, can nonetheless be forfeited if the party asserting the rule waits too long to raise the point"); *Grubbs* v. *General Elec. Credit Corp.*, 405 U.S. 699, 700 (1972) (compliance with mandatory requirements for removal "may not be raised for the first time on appeal"); *Sierra Club* v. *Yeutter*, 926 F.2d 429, 437 (5th Cir. 1991) (notice-and-delay provision was forfeited if not raised before judgment).[16] And once an issue is considered forfeited, appellate courts generally will not adjudicate it, either at the urging of the parties to the appeal or on the court's own motion. Cf. *Carlisle* v. *United States*, 517 U.S. 416, 422-423 (1996) (declining to construe Federal Rule of Criminal Procedure 29 in a manner that would permit the court to raise an issue *sua sponte* even after the party no longer had the ability to raise it).

To be sure, appellate courts may "[i]n exceptional circumstances, * * * in the public interest, * * * notice errors to which no exception has been taken, if the errors are obvious, or if they otherwise seriously affect the fairness, integrity or public reputation of judicial proceedings." *Silber* v. *United States*, 370 U.S. 717, 717-718 (1962) (citation omitted); *Brickwood Contrac-*

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[16] Another example arises in the criminal context. While an indictment is a non-jurisdictional but constitutionally required element of a criminal case, such that the case should be dismissed if a defect in the indictment is discovered before judgment, *United States* v. *MacDonald*, 435 U.S. 850, 860 n.7 (1978), the conviction may stand on appeal if the defect was not raised in the district court. *United States* v. *Cotton*, 535 U.S. 625, 631-632 (2002) (applying plain-error review).

tors, Inc. v. *Datanet Eng'g, Inc.*, 369 F.3d 385, 396-397 (4th Cir. 2004) (en banc) (applying plain-error rule to failure to comply with mandatory claim-processing rule of Federal Rule of Civil Procedure 11). But this is a high bar, reflecting the substantial costs of addressing a new issue after the record is closed: prejudice to the party who prevailed below and loss of the judicial resources expended in adjudicating the matter on the merits. As against these costs, significant interests must militate in favor of addressing the issue on appeal.

The situations at the appellate court level in which the interests served by Section 411(a) would outweigh the substantial concerns embodied in the forfeiture rule are likely to be extremely rare. A plaintiff's failure to comply with Section 411(a)'s registration requirement should ordinarily be apparent at the outset of the case, and the district court can dismiss the suit without devoting substantial resources to it. Once a final judgment has been entered and the case has reached the court of appeals, however, the district court has already expended significant resources, and has decided the case (or approved a settlement). Insisting on a rigid application of Section 411(a) on appeal would therefore waste judicial resources in most cases. *Arbaugh*, 546 U.S. at 515. It could also cause substantial injustice in cases in which the work was correctly determined to be copyrightable and the plaintiff prevailed on his copyright infringement claim.[17]

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[17] To the extent that the registration requirement serves to encourage the submission of works that will supplement the Library of Congress's collection, the requirement might be roughly analogized to a district court filing fee. Because such a fee serves the interests of the United States in its administration of the federal judicial system, its enforcement would not ordinarily depend on any action of the defendant.

3. Under the circumstances of this case, the inclusion within the plaintiff class of individuals who had not registered their copyrights provides no sound basis for vacatur of the district court's judgment on appeal. An industry-wide settlement is unquestionably in the public interest because it recognizes freelance authors' copyright rights while ensuring the public availability of their works—a key concern of the Copyright Act. See *Fogerty* v. *Fantasy, Inc.*, 510 U.S. 517, 527 (1994) ("[C]opyright law ultimately serves the purpose of enriching the general public through access to creative works."); *New York Times Co.* v. *Tasini*, 533 U.S. 483, 505 (2001). The parties determined that a global settlement of all possible claims—including those based on currently unregistered works (which could be registered in the future)—was necessary in order to guarantee the availability within the electronic archives of all of the newspaper and magazine contents at issue. The parties then invested substantial time and resources, all of which would be rendered nugatory by enforcement of Section 411(a)'s registration requirement at this late stage.

Nor would implementation of a settlement that encompassed unregistered works significantly undermine Section 411(a)'s purposes. The copyrightability of the articles at issue has never been in dispute. See 17 U.S.C. 102(b). Given the nature of the relevant works, moreover, the settlement will not substantially impair the Library of Congress's interest in supplementing its collection. See note 15, *supra*. Enforcing Section 411(a) for the first time on appeal, despite the parties' forfei-

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But if the plaintiff's failure to pay the fee somehow went unnoticed throughout the district court litigation, that failure would not constitute a jurisdictional defect warranting vacatur of the judgment on appeal.

ture, would waste the resources expended by the parties and court to achieve a comprehensive solution, and also disserve the public interest in electronic access to all of the works at issue here, all without furthering any meaningful countervailing purpose.

CONCLUSION

The judgment of the court of appeals should be vacated and the case remanded for further proceedings.

Respectfully submitted.

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AMICUS CURIAE BRIEF

130

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IN THE
Supreme Court of the United States

Reed Elsevier, Inc., *et al.*,

Petitioners,

-v.-

Irvin Muchnick, *et al.*,

Respondents.

ON WRIT OF CERTIORARI
TO THE UNITED STATES COURT
OF APPEALS FOR THE SECOND CIRCUIT

BRIEF OF AMERICAN INTELLECTUAL PROPERTY LAW ASSOCIATION AS *AMICUS CURIAE* IN SUPPORT OF PETITIONERS

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651

48

INTEREST OF AMICUS CURIAE 1

BACKGROUND 2

SUMMARY OF ARGUMENT 3

ARGUMENT 5

I. An Historical Perspective of Copyright Registration 5

II. Copyright Registration Under 17 U.S.C. § 411(a) 10

A. Statutory Language and Legislative History 10

B. The Broad Approach to the Role of Registration 13

1. In General 13

2. Case Law 16

C. Narrow Approach to the Role of Registration 20

1. In General 21

2. Case Law 22

3. Critique of Narrow Approach 26

III. Judge Walker's Dissent States the Correct Approach to Section 411(a) 28

A. Policy Considerations Favor Walker Approach to Registration 31

B. Application of Walker Approach to this Case 34

CONCLUSION 35

TABLE OF AUTHORITIES

FEDERAL CASES

Apple Barrel Prods., Inc. v. Beard, 730 F.2d 384 (5th Cir. 1984) 16, 18, 19

Arbaugh v. Y&H Corp., 546 U.S. 500 (2006) 29

Berry v. Penguin Group, Inc., 448 F. Supp. 2d 1202 (W.D. Wash. 2006) 24

Boos v. Runyon, 201 F.3d 178 (2d Cir. 2000) 29, 30

Boyle v. Stephens, Inc., 1997 U.S. Dist. LEXIS 12780 (S.D.N.Y. Aug. 25, 1997) 21

Brooks-Ngwenya v. Indianapolis Pub. Schs, 564 F.3d 804 (7th Cir. 2009) 17

Chateau Hip v. Gilhuly, 1996 U.S. Dist. LEXIS 11055 (S.D.N.Y. Aug. 1, 1996) 18

Chicago Bd. of Educ. v. Substance, Inc., 354 F.3d 624 (7th Cir. Ill. 2003) 17

Christopher Phelps & Associates LLC v. Galloway, 492 F.3d 532 (4th Cir. 2007) 27

Commence Corp. v. Selltis, L.L.C., 2006 U.S. Dist. LEXIS 8833 (D.N.J. Mar. 3, 2006) 19

Corbis Corp. v. UGO Networks, Inc., 322 F. Supp. 2d 520 (S.D.N.Y. 2004) 23

Data Gen. Corp. v. Grumman Sys. Support Corp., 36 F.3d 1147 (1st Cir. 1994) 22

Dielsi v. Falk, 916 F. Supp. 985 (C.D. Cal. 1996) ... 20

Dodd v. Forst Smith Special Sch. Dist. No. 100, 666 F. Supp. 1278 (W.D. Ark. 1987) 24

Eberhart v. United States, 546 U.S. 12 (2005) 5, 28

Gates Rubber Co. v. Bando Am., Inc., 798 F. Supp. 1499 (D. Colo. 1992) 26

Goebel v. Manis, 39 F. Supp. 2d 1318 (D. Kan. 1999) 21

Havens v. Time Warner, Inc., 896 F. Supp. 141 (S.D.N.Y. 1995) 18, 19

Iconbazaar, L.L.C. v. Am. Online, Inc., 308 F. Supp. 2d 630 (M.D.N.C. 2004) 19

In re Independent Services Organizations Antitrust Litigation, 964 F. Supp. 1469 (D. Kan. 1997) 27

In re Literary Works in Electronic Databases Copyright Litigation, 509 F.3d 116 (2nd Cir. 2007) .....*passim*

Int'l Kitchen Exhaust Cleaning Ass'n v. Power Washers of North America, 81 F. Supp. 2d 70 (D.D.C. 2000) 17

Int'l Trade Mgmt., Inc. v. United States, 553 F. Supp. 402 (Cl. Ct. 1982) 21

Kaye Homes, Inc. v. Original Custom Homes Corp., 2007 U.S. Dist. LEXIS 60847 (M.D. Fla. Aug. 20, 2007) 25

Kontrick v. Ryan, 540 U.S. 443 (2004) 5, 22, 29

La Resolana Architects, P.A. v. Clay Realtor Angel Fire, 416 F.3d 1195 (10th Cir. 2005) 22

Lakedreams v. Taylor, 932 F.2d 1103 (5th Cir. 1991) 17

Loree Rodkin Mgmt. Corp., 315 F. Supp. 2d 1053 (C.D. Cal. 2004) 24

Lotus Dev. Corp. v. Paperback Software Int'l, 740 F. Supp. 37 (D. Mass 1990) 27

M.G.B. Homes v. Ameron Homes, 903 F.2d 1486 (11th Cir. 1990) 22

Macklin v. Mueck, 373 F. Supp. 2d 1334 (S.D. Fla. 2005 26

Marshall & Swift v. BS & A Software, 871 F. Supp. 952 (W.D. Mich. 1994) 24

Mays & Assocs. v. Euler, 370 F. Supp. 2d 362 (D. Md. 2005) 23

Miller v. CP Chems., 808 F. Supp. 1238 (D.S.C. 1992) 21, 23

Morgan, Inc. v. White Rock Distilleries, Inc., 230 F. Supp. 2d 104 (D. Mc. 2002) 23

Morris v. Business Concepts, Inc., 259 F.3d 65 (2d Cir. 2001) 3

Murray Hill Publ'ns, Inc. v. ABC Commc'ns, Inc., 264 F.3d 622 (6th Cir. 2001) 22

Nat'l Info. & Communs. Equip. Network Inc. v. Willigan, 2007 U.S. Dist. LEXIS 75799 (E.D. Ky. Oct. 11, 2007) 23

New York Times Co. v. Tasini, 533 U.S. 483 (2001) . 2

Olan Mills, Inc. v. Linn Photo Co., 23 F.3d 1345 (8th Cir. 1994) 16

Oyster Software, Inc. v. Forms Processing, Inc., 2001 U.S. Dist. LEXIS 22520 (N.D. Cal. Dec. 6, 2001) 20

Pac. & S. Co., Inc. v. Duncan, 744 F.2d 1490 (11th Cir. 1984) 25

Perfect 10, Inc. v. Amazon.com, Inc., 487 F.3d 701 (9th Cir. 2007) 16

Phoenix Renovation Corp. v. Rodriguez, 403 F. Supp. 2d 510 (E.D. Va. 2005) 20

Positive Black Talk Inc. v. Cash Money Records Inc., 394 F.3d 357 (5th Cir. 2004) 17

Proulx v. Hennepin Tech. Ctrs. Dist. No. 287, 1981 U.S. Dist. LEXIS 17634 (D. Minn. Dec. 7, 1981). 24

Prunte v. Universal Music Group, 484 F. Supp. 2d 32 (D.D.C. 2007) 18

Quincy CableSystems, Inc. v. Sully's Bar, Inc., 650 F. Supp. 838 (D. Mass. 1986) 20

Ripple Junction Design Co. v. Olaes Enters., 2005 U.S. Dist. LEXIS 32866 (S.D. Ohio Sept. 8, 2005) 24

Roth Greeting Cards v. United Card Co., 429 F.2d 1106 (9th Cir. 1970) 25

Ryan v. Carl Corp., 1998 U.S. Dist. LEXIS 9012 (N.D. Cal. June 15, 1998) 24

Salerno v. City University of New York, 191 F. Supp. 2d 352 (S.D.N.Y. 2001) 18

Secure Servs. Tech., Inc. v. Time and Space Processing, Inc., 722 F. Supp. 1354 (E.D. Va. 1989) 14, 19

SportsMEDIA Technology Corp. v. Upchurch, 839 F. Supp. 8 (D. Del. 1993) 19

Strategy Source v. Lee, 233 F. Supp. 2d 1 (D.D.C. 2002) 18, 23

Streetwise Maps, Inc. v. VanDam, Inc., 159 F.3d 739 (2d Cir. 1988) 27

Sun Media Sys. v. KDSM, LLC, 564 F. Supp. 2d 946 (S.D. Iowa 2008) 24

Tang v. Hwang, 799 F. Supp. 499 (E.D. Pa. 1992) . 19

Tempo Music, Inc. v. Famous Music Corp., 838 F. Supp. 162 (S.D.N.Y. 1993) 7

Tri-Marketing v. Mainstream Mktg. Servs., 2009 U.S. Dist. LEXIS 42694 (D. Minn. May 19, 2009) 20

United States v. Backer, 134 F.2d 533 (2d Cir. 1943)6

Well-Made Toy Mfg. Corp. v. Goffa International Corp., 354 F.3d 112 (2d Cir. 2003) 3

Westport Historical Soc'y v. Lee, 1997 U.S. Dist. LEXIS 11909 (D. Kan. July 11, 1997) 25

Wheaton v. Peters, 33 U.S. 591 (1834) 6

Wilson v. Mr. Tee's, 855 F. Supp. 679 (D.N.J. 1994) 19

Xoom, Inc. v. Imageline, Inc., 323 F.3d 279 (4th Cir. 2003) 22

Young Design, Inc. v. Teletronics Intern., Inc., 2001 WL 35804500 (E.D. Va. 2001) 27

FEDERAL STATUTES AND REGULATIONS

17 U.S.C. § 106A(a) 9

17 U.S.C. § 408 ..... 4, 6, 10

17 U.S.C. § 410 ..... 7, 15

17 U.S.C. § 411(a) ..... *passim*

17 U.S.C. § 412 ..... 7, 35

19 C.F.R. § 133.33 7

19 U.S.C. § 1337 7

28 U.S.C. § 1331 ..... 2, 4, 11

28 U.S.C. § 1338 ..... 2, 4, 11

Pub. L. 110-403, amending 17 U.S.C. §§ 411(a) and (b) 9, 26

LEGISLATIVE HISTORY

H.R. Rep. No. 94-1476 (1976), reprinted in 1976 U.S.C.C.A.N. 5659, 5768 ..... 12, 15, 16

H.R. Rep. No. 388, 103d Cong., 1st Sess. (1993)..... 10

H.R. Rep. No. 609, 100th Cong., 2nd Sess. (1988)..... 9

H.R. Rep. No. 897, 103d Cong., 1st Sess. (1993)..... 9

S. Rep. No. 352, 100th Cong., 2d Sess. (1998)..... 8

TREATISES

Melville B. Nimmer & David Nimmer, 2-7 Nimmer on Copyright § 7.16[B][1] (2009) ..... *passim*

William F. Patry, 5 Patry on Copyright §17:122 (2009) 32

MISCELLANEOUS

Compendium II of Copyright Office Practices 602 32

In re Literary Works in Electronic Databases Copyright Litigation, MDL No. 1379 (S.D.N.Y. proposed settlement filed 3/29/05)(69 Pat. Trademark & Copyright J. (BNA) 592, 4/8/05) 2

Information Infrastructure: Task Force, Intellectual Property and the National Information Infrastructure: A Preliminary Draft of the Report on the Working Group in Intellectual Property Rights 108-16 (July 1994) 32

Perlmutter, Shira, *Freeing Copyright from Formalities*, 13 CARDOZO ARTS & ENT. L.J. 565 (1993) 10

INTEREST OF AMICUS CURIAE[1]

The American Intellectual Property Law Association ("AIPLA") is a voluntary bar association of nearly 17,000 members who daily work with patents, trademarks, copyrights, and trade secrets, and with the legal issues that intellectual property presents. AIPLA's members include attorneys in private and corporate practice as well as government service. AIPLA's membership is intimately involved with the legal and business issues underlying the development, commercialization, and exploitation of intellectual property, including copyright registration issues.

AIPLA members are often on both sides of any matter, representing both plaintiffs and defendants for litigation and both licensors and licensees in transactions. As part of its central mission, AIPLA is dedicated to encouraging the healthy development of intellectual property law. Accordingly, AIPLA has

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[1] The parties have consented to the filing of this brief. Counsel of record for all parties received notice at least ten days prior to the due date of the *amicus curiae*'s intention to file this brief. No counsel for a party authored this brief in whole or in part, and no counsel or party made a monetary contribution intended to fund the preparation or submission of this brief. No person other than *amicus curiae*, its members, or its counsel made a monetary contribution to its preparation or submission.

After reasonable investigation, AIPLA believes that no member of its Board or Amicus Committee who voted to prepare this brief on its behalf, or any attorney in the law firm or corporation of such a Board or committee member or attorney who aided in preparing this brief, represents a party with respect to this litigation. Some committee members or attorneys in their respective law firms or corporations may represent entities which have an interest in other matters which may be affected by the outcome of this litigation.

a vital interest in the issues presented by this case, which will have a far-reaching impact on intellectual property rights and their exploitation.

BACKGROUND

In this case, a number of freelance and other writers filed four class actions seeking the royalties due to them under *New York Times Co. v. Tasini*, 533 U.S. 483 (2001), for unauthorized reproduction of works electronically. The cases were consolidated and, following three years of heated negotiations, the parties agreed on a settlement formula. *In re Literary Works in Electronic Databases Copyright Litigation*, MDL No. 1379 (S.D.N.Y., proposed settlement filed 3/29/05)(69 Pat. Trademark & Copyright J. (BNA) 592, 4/8/05). Under the settlement, some of the plaintiffs' copyrights were registered with the Copyright Office, others were subject to applications awaiting registration, while others were never included in an application for registration. *Id.* Each group was treated differently under the terms of proposed settlement formula. The District Court defined the class for purposes of settlement, approved the private settlement, and dismissed the claims as settled, with prejudice, by Order and Final Judgment dated September 27, 2005. It is from this settlement that the class objectors appealed to the Second Circuit Court of Appeals.

The District Court exercised subject matter jurisdiction over the entire action under 28 U.S.C. §§ 1331, 1338, and recognized that those claimants with registrations had satisfied the requirements of

17 U.S.C. § 411(a), suggesting that those who had not (and were otherwise so required) could have if the case had continued to final adjudication and judgment.

Raising the issue of subject-matter jurisdiction on appeal *sua sponte*, the Second Circuit vacated the order certifying the class and approving the parties' settlement, finding that the registration requirement of Section 411(a) had not been satisfied. *In re Literary Works in Electronic Databases Copyright Litigation*, 509 F.3d 116, 125 (2d Cir. 2007). In a 2-1 decision, the Court concluded that the District Court had no subject-matter jurisdiction over those works for which copyright registrations had not been granted. Notwithstanding the resolution of all claims as part of a single private class action settlement, the Second Circuit reversed the lower court's order, dismissing the case without prejudice. *Id.* at 128.

The majority decision was based on Second Circuit case law that treats copyright registration as necessary for creating subject matter jurisdiction. *Well-Made Toy Mfg. Corp. v. Goffa International Corp.*, 354 F.3d 112, 114-16 (2d Cir. 2003) and *Morris v. Business Concepts, Inc.*, 259 F.3d 65, 72-73 (2d Cir. 2001).

SUMMARY OF ARGUMENT

The Second Circuit Court of Appeals in this case misinterpreted 17 U.S.C. § 411(a) by treating the requirement of copyright registration as a

condition precedent to subject matter jurisdiction over an action for copyright infringement. On this basis, it incorrectly barred an action for infringement where some of the works in suit had been registered at the Copyright Office and some had not.

The Second Circuit's decision raises a question of first impression for the Court, namely – what is the purpose and proper effect of 17 U.S.C. § 411(a), which compels the registration of previously unregistered copyrights in U.S. works prior to their enforcement in court?

The purpose of Section 411(a) is to create an accurate public record of claims to copyright and to facilitate infringement actions. The text of the statute is not directed to the authority of a court to hear a case, as in the undisputed subject matter jurisdiction provisions at 28 U.S.C. §§1331 and 1338. Instead, it expresses a limitation on a plaintiff's right to sue with the language "no action for infringement of the copyright in any United States work shall be instituted ...." This statute is not expressing the court's scope of authority over particular subject matter, but instead is imposing a requirement on one who would "institute" an action.

The "so-called" narrow view of Section 411(a), which imputes a subject matter jurisdiction condition to the statute, undermines the indisputable fact that registration is not a condition of copyright protection. 17 U.S.C. § 408(a). Section 411(a) simply makes registration a condition precedent to enforcing those rights in court. It is a

procedural "gating event" that is subject to a number of important exceptions, including one in particular that permits a lawsuit to proceed even where registration is refused by the Copyright Office. 17 U.S.C. § 411(a).

The statutory language, the policies disfavoring formalities, and the intent of Congress support treating Section 411(a) as a procedural prerequisite, akin to a "claims processing" rule or an "enforcement mechanism," as correctly explained below in Judge Walker's dissenting opinion, and in *Eberhart v. United States*, 546 U.S. 12 (2005) (per curiam) and *Kontrick v. Ryan*, 540 U.S. 443 (2004). *In re Literary Works in Electronic Databases Copyright Litigation*, 509 F.3d 116, *129 (2d Cir. 2007).

The pragmatic procedural view of registration, adopted below by the District Court in approving the settlement of unregistered copyright claims, comports with the Copyright Act in recognizing that Section 411(a) is not essential to the existence of the underlying claim of copyright infringement. Judge Walker's dissenting opinion goes one step further and offers a sound legal framework for distinguishing Section 411(a) from a traditional subject matter jurisdiction statute.

ARGUMENT

I. An Historical Perspective of Copyright Registration

A registration requirement has long been a part of the American copyright system, but its importance has been transformed significantly over time.

Beginning with the first copyright statute in 1790, registration was a necessary step to any statutory copyright protection. *See Wheaton v. Peters*, 33 U.S. 591, 662 (1834). The 1909 Copyright Act was less severe, and allowed a person to obtain a statutory copyright by alternative means, namely by the simple act of publishing copies of the work bearing a proper copyright notice. *See United States v. Backer*, 134 F.2d 533, 535 (2d Cir. 1943) ("It is well settled that publication with notice is sufficient to copyright whatever may be copyrighted at all.") However, under Section 13 of the 1909 Act registration and deposit of a copy of the claimed work was set as a pre-condition for any infringement action, and under Section 14 a copyright owner's failure to promptly comply after a Copyright Office demand for a deposit could result in fines and loss of copyright. In a departure from both of its predecessors, the current Copyright Act provides that, for works created on and after January 1, 1978, copyright automatically inheres in a work at the moment it is created, and expressly states that "registration is not a condition of copyright protection." *See* 17 U.S.C. § 408(a).

Thus, registration was gradually eliminated as an impediment to acquiring statutory copyright protection in one's work. However, it survives in a voluntary registration system that includes powerful

incentives for copyright owners to disclose their creative works to the public.

Generally, statutory damages and attorneys' fees provide the greatest incentive for registration, but they are available remedies only for copyright owners who registered their works prior to the infringing acts in dispute. *See* 17 U.S.C. § 412. In addition, a registration certificate constitutes *prima facie* evidence of the validity of the copyright and of the facts stated in the certificate, but only if the owner registered before or within five years after first publication of the infringed work. *See* 17 U.S.C. § 410. Perhaps less significant to many copyright owners, registration is also a prerequisite for securing relief from infringing importation through the United States Customs and Border Patrol, 19 C.F.R. § 133.33, and the International Trade Commission, 19 U.S.C. §§ 1337(a)(1)(B)(i), 1337(a)(1)(D). Here again, registration must precede the unlawful act to trigger the available remedy. Finally, registration incentives help to insure that works become part of the U.S. Copyright Office's record keeping system and the Library of Congress, and thus their content and identifying information made available to members of the public. As such, registration constitutes constructive notice of documents relating to ownership of a copyright in a work, such as assignments. *Tempo Music, Inc. v. Famous Music Corp.*, 838 F. Supp. 162, 166 (S.D.N.Y. 1993).

In addition to these incentives for voluntary registration, the imperative of registration for copyright infringement actions is subject to a variety

of exceptions in the statute. One critical exception is found in Section 411(a) itself:

> [Once] the deposit, application, and fee required for registration have been delivered to the Copyright Office in proper form and registration has been refused, the applicant is entitled to institute an action for infringement if notice thereof, with a copy of the complaint, is served on the Register of Copyrights.

17 U.S.C. § 411(a).

This statutory exception allows a copyright owner in a U.S. work to litigate its claims without registration as long as it has applied for and received from the Copyright Office a refusal to register.

Another exception was created for works of foreign origin in connection with the United States accession to the Berne Convention for the Protection of Literary and Artistic Works ("Berne"). Accession to Berne required complying with Article 5(2) of the treaty, which provides that "[t]he enjoyment and the exercise of ... rights shall not be subject to any formality...." The legislative history of the Berne Convention Implementation Act ("BCIA") reveals that the Senate took the position that the registration requirement of Section 411(a) was such a prohibited formality[2], and that the House of

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[2] S. Rep. No 352, 100th Cong., 2d Sess. 13-15 (1998).

Representatives believed it was not[3]. The result of this disagreement was a two-tiered system that requires registration for works of U.S. origin only.[4]

Other exceptions to the registration requirement can be found in The Visual Artists Rights Act of 1990 ("VARA"), 17 U.S.C. § 106A(a), and in the recently enacted Prioritizing Resources and Organization for Intellectual Property Act of 2008 ("PRO-IP Act"). The VARA is another Berne concession which inserted into Section 411(a) an exemption to the registration requirement for Section 106A(a) infringement actions. The PRO-IP Act, signed into law in October 2008, made clear that the registration requirement of Section 411(a) does not apply to criminal copyright proceedings. Pub. L. 110-403, amending 17 U.S.C. §§ 411(a) and (b).

As further evidence of the checkered history of the registration requirement, a bill was passed in 1993 by the House of Representatives to eliminate this feature of Section 411(a).[5] The House Report accompanying the bill found that requiring registration for a lawsuit and the incentives for voluntary registration were primarily designed to secure copies for the Library of Congress collection

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[3] H.R. Rep. No 609, 100th Cong., 2d Sess. 40-43 (1988).

[4] 2-7 Nimmer on Copyright § 7.16[B][1][b][iv] ("In this way, although United States citizens were somewhat disadvantaged by Congress's action, at least no foreign Berne claimants could contend that the United States was setting up impermissible formal roadblocks to the protection of their copyrights.")

[5] H.R. 897, 103d Cong., 1st Sess., passed by unanimous consent; *see* Congressional Record, 11/20/1993, pp. H10308-H10312.

through the related deposit requirements.[6] 17 U.S.C. § 408(b).

Since 1978, registration has not been required to acquire a copyright, but somewhat paradoxically, has remained a hurdle to a copyright owner's ability to enforce its rights in court and to obtain certain legal remedies. While Section 411(a) affects only the ability to seek remedies in court, "a distinction between rights and remedies in this respect is elusive; a right is only as valuable as the remedy it commands." Perlmutter, Shira, *Freeing Copyright from Formalities*, 13 CARDOZO ARTS & ENT. L.J. 565, 575 (1993). Recognizing that a right without any remedy is less than a full right, and in an effort to conform to Berne, Congress has continued to chisel away at the Copyright Act's registration provisions, rendering Section 411(a) a mere "gating requirement" with significant exceptions to its application.

II. Copyright Registration Under 17 U.S.C. § 411(a)

A. Statutory Language and Legislative History

While there is much ambiguity surrounding the proper role of copyright registration, this much is certain — registration is not a condition of copyright protection, but an application for registration is a procedural precondition to litigating the

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[6] H.R. Rep. No. 388, 103d Cong., 1st Sess. 12 (1993).

infringement of a copyright in U.S. works under the 1976 Copyright Act.

Section 411(a) of the Copyright Act provides:

> Except for an action brought for violation of the rights of the author under section 106A(a), and subject to the provisions of subsection (b), *no action for infringement of the copyright in any United States work shall be instituted until preregistration or registration of the copyright claim has been made in accordance with this title.* In any case, however, where the deposit, application, and fee required for registration have been delivered to the Copyright Office in proper form and registration has been refused, the applicant is entitled to institute an action for infringement if notice thereof, with a copy of the complaint, is served on the Register of Copyrights.

17 U.S.C. § 411(a). [emphasis added].

What is immediately apparent about this language is that it is easily distinguishable from the language of the indisputable subject matter jurisdiction statutes at 28 U.S.C. §§ 1331 (federal question jurisdiction) and 1338(a) (patent, trademark and copyright jurisdiction). Those provisions use the phrase "[t]he district courts shall

have original jurisdiction of all civil actions" to express limits on the district court's authority to hear certain cases. By contrast, the language of Section 411(a) expresses no limitation on the jurisdiction of the court, but rather limits a plaintiff's right to sue with the language "no action for infringement of the copyright in any United States work shall be instituted ...." The subject of Section 411(a) is "no action for infringement," and the passive voice "shall be instituted" is a reference to the party instituting the action, not to the tribunal hearing the action. This statute is not expressing the court's scope of authority over particular subject matter, but instead is applying a requirement on one who would "institute" an action.

The legislative history of Section 411(a) supports the conclusion that authors who bypass the registration scheme nonetheless acquire rights, even if those are rights cannot be enforced. "Except where, under section 405(a), registration is made to preserve a copyright that would otherwise be invalidated because of omission of the notice, registration is not a condition of copyright protection." *See* H.R. Rep. No. 94-1476, at 152 (1976), reprinted in 1976 U.S.C.C.A.N. 5659, 5768. "Under [section 411(a)], a copyright owner who has not registered his claim can have a valid cause of action against someone who has infringed his copyright, but he cannot enforce his rights in the courts until he has made registration." *Id.* at 157.

What is less clear is from the text and legislative history of the statute is whether Section 411(a) permits a copyright owner to file an

infringement action before the Copyright Office has acted to either issue or deny a certificate of registration, or even before the copyright owner has filed an application.

Although courts are divided on the question, the correct view is that the registration requirement is akin to a procedural condition precedent to prosecuting a lawsuit that may be satisfied "along the way." This broader view of the requirement conforms to general proposition argued by Judge Walker in his dissenting opinion below that the registration requirement is more of a "claims processing rule." The narrow view of the requirement improperly introduces a subject matter jurisdiction character into the statute by measuring compliance with the requirement only at the moment the action is commenced.

B. The Broad Approach to the Role of Registration

1. In General

Under the "broad" or "application" approach, copyright registration occurs when the registration applicant submits all necessary materials to the Copyright Office – that is, the plaintiff has a cause of action upon filing the application, necessary fees, and a copy of the work with the Copyright Office. 2-7 Nimmer on Copyright § 7.16[B][1][a][i]. Courts that have adopted the broad approach recognize the immateriality of whether a registration ultimately issues (or is denied) in considering whether to allow claims to proceed. In applying this pragmatic view

of registration, it is enough, these courts believe, that a proper application was submitted to the Copyright Office, otherwise a litigant would remain in "legal limbo" awaiting the administrative actions of the Copyright Office. *See Secure Servs. Tech., Inc. v. Time and Space Processing, Inc.*, 722 F. Supp. 1354, 1364 (E.D. Va. 1989). Courts that follow the broad approach impliedly acknowledge that registration is a procedural formality that may be satisfied "along the way," and is not a requirement for invoking the authority of the Federal courts.

The decisive exception to the Copyright Act's registration scheme under Section 411(a) allows a party who seeks to register a copyright to proceed to litigation, regardless of whether the Copyright Office ultimately issues the certificate, or denies it. Therefore, delaying the date on which a copyright owner can sue is a futile formality if, in the end, a copyright owner can sue whether or not an application for registration ultimately issues. For this reason, Professor Nimmer states that "it makes sense under the 1976 Act to refer to *application for registration* as a condition to filing an infringement action, whereas *issuance of a registration certificate* is a condition to statutory damages, *prima facie* presumption, and constructive notice." 2-7 Nimmer on Copyright § 7.16[B][1][a][i].

According to Nimmer, the broad approach "better comports with the [Copyright Act's] statutory structure." *Id.* As Professor Nimmer explains:

> [I]n contrast to the *prima facie* presumption of validity, which the statute limits to '*certificate* of registration' [Section 410(c)], the jurisdictional provision [Section 411(a)] requires only that '*registration* of the copyright claim has been made *in accordance with this title*.'

Id. (emphasis original).

The effective date of a copyright registration "is the day on which an application, deposit, and fee ... are *received* in the Copyright Office." 17 U.S.C. § 410(d) (emphasis added). According to the statute, the acceptability of these items for registration is determined thereafter by the Register of Copyrights or a court of competent jurisdiction, but all rights arising from the registration relate back to the date the application was received. Thus, a court's jurisdiction over an infringement action does not depend on copyright examination, nor does it depend on the issuance or denial of a registration certificate since neither determines the right to proceed. 2-7 Nimmer on Copyright § 7.16[B][1][a][i]. Rather, a "court of competent jurisdiction," including the court before which the copyright infringement action is pending, can determine the adequacy of the submission to the Copyright Office. *Id.*

The legislative history of the Copyright Act provides support for the broad approach in deemphasizing the role of registration, except as a precondition to statutory damages and attorney's fees. *See* H.R No. 94-1476, at 158. ("a copyright

owner whose work has been infringed before registration would be entitled to the remedies ordinarily available in infringement cases" whereas "section 412 would deny any award of the special or 'extraordinary' remedies of statutory damages or attorney's fees..."). Although registration is not required for copyright protection, the Copyright act entices authors to register their works by offering the added remedies of statutory damages and attorneys' fees to those who register their works before infringement commences. *See* H.R. No. 94-1476, at 158 ("The need for section 412 arises from [the fact that] ... [c]opyright registration for published works, which is useful and important to users and the public at large, would no longer be compulsory, and should therefore be induced in some practical way.")

2. Case Law

The Federal Circuit Courts for the Fifth and Seventh Circuits[7] have adopted the broad or application approach, deeming registration to have occurred as of the first step in the registration process in at least a majority of the cases where the issue has been addressed. In *Apple Barrel Prods., Inc. v. Beard*, 730 F.2d 384, 386-87 (5th Cir. 1984),

[7] The Eighth and Ninth Circuits have addressed the issue and applied the broad approach, but only in the context of claims for injunctive relief. *Olan Mills, Inc. v. Linn Photo Co.*, 23 F.3d 1345, 1349 (8th Cir. 1994) (Injunctive relief is not limited by the registration requirement; notes that the timing of registration only affects actual versus statutory damages); *Perfect 10, Inc. v. Amazon.com, Inc.*, 487 F.3d 701, 710, n.1 (9th Cir. 2007) (Court had jurisdiction to issue injunctive relief for unregistered copyrights where at least some of the copyrights were registered).

the Fifth Circuit allowed the plaintiffs to maintain an action for copyright infringement although the plaintiffs had received neither an actual registration certificate nor a formal refusal from the Copyright Office. The court held that plaintiffs' proof of payment of the required fee, their deposit of the work, and the Copyright Office's receipt of the application was sufficient to maintain an action for copyright infringement. *Id. See also Positive Black Talk Inc. v. Cash Money Records Inc.*, 394 F.3d 357, 365 (5th Cir. 2004) ("Although some circuits require that a plaintiff actually obtain a certificate from the Copyright Office before bringing suit, the Fifth Circuit requires only that the Copyright Office actually receive the application, deposit, and fee before a plaintiff files an infringement action."); *Lakedreams v. Taylor*, 932 F.2d 1103, 1108 (5th Cir. 1991) ("a plaintiff has complied with the statutory formalities when the Copyright Office receives the plaintiff's application for registration, fee and deposit."); *Brooks-Ngwenya v. Indianapolis Pub. Schs*, 564 F.3d 804 (7th Cir. 2009) (Section 411(a) is not jurisdictional, but rather prescribes manner in which federal court exercises its exclusive jurisdiction over copyright claims and is a prerequisite to suit); *Chicago Bd. of Educ. v. Substance, Inc.*, 354 F.3d 624, 631 (7th Cir. Ill. 2003) ("Although a copyright no longer need be registered with the Copyright Office to be valid, an application for registration must be filed before the copyright can be sued upon.").

In addition, on at least two occasions, district courts in the D.C. Circuit have endorsed the broad approach. In *Int'l Kitchen Exhaust Cleaning Ass'n v.*

Power Washers of North America, 81 F. Supp. 2d 70, 72 (D.D.C. 2000), Judge Kennedy writing for the majority stated: "the court endorses the position that a plaintiff may sue once the Copyright Office receives the plaintiff's application, work, and filing fee."[8] *See also Prunte v. Universal Music Group*, 484 F. Supp. 2d 32, 39-40 (D.D.C. 2007) ("[t]he more common practice is for courts to allow suit to go forward as soon as the application has been completed and submitted to the Copyright Office, along with the deposit of the work in question and the fee.")

Moreover, numerous district courts, including those in the Second, Third, Fourth, Eighth, and Ninth Circuits, have applied the broad approach to registration, in a case-by-case fashion. *See, e.g., Havens v. Time Warner, Inc.*, 896 F. Supp. 141, 142-43 (S.D.N.Y. 1995) ("'in order to bring suit for copyright infringement, it is not necessary to prove possession of a registration certificate'"; *citing Apple Barrel*, 730 F.2d 384 (5th Cir. 1984)); *Salerno v. City University of New York*, 191 F. Supp. 2d 352, 356 (S.D.N.Y. 2001) (filing copyright application, deposit, and fee with the Register of Copyrights were sufficient to establish subject matter jurisdiction to bring copyright infringement action); *Chateau Hip v. Gilhuly*, 1996 U.S. Dist. LEXIS 11055 (S.D.N.Y. Aug. 1, 1996) (stating that "[a]n infringement action may

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[8]Subsequently, in *Strategy Source v. Lee*, 233 F. Supp. 2d 1, 3 (D.D.C. 2002), the court appeared to endorse the narrow approach, with criticism of the holding *Int'l Kitchen Exhaust Cleaning Ass'n*.

be commenced once the plaintiff has delivered to the Copyright Registrar the application, deposit, and appropriate fee" and *citing Havens*, 896 F. Supp. 141 (S.D.N.Y. 1995), and *Apple Barrel*, 730 F.2d 384 (5th Cir. 1984)); *Wilson v. Mr. Tee's*, 855 F. Supp. 679, 682-83 (D.N.J. 1994) (accepting copies of the copyright applications and deposits along with a receipt from the Copyright Office, indicating that the Office received the application, fee and deposit, as sufficient to satisfy the registration requirement); *Tang v. Hwang*, 799 F. Supp. 499, 502-03 (E.D. Pa. 1992) (holding that Section 411(a) "has been broadly construed to allow for the commencement of an infringement action upon the Copyright Office's receipt of the application, the required number of copies of the work, and the filing fee in proper form"); *SportsMEDIA Technology Corp. v. Upchurch*, 839 F. Supp. 8 (D. Del. 1993) *citing Tang v. Hwang*, 799 F. Supp. 499 (D.N.J. 1994) and construing Section 411 as allowing for the commencement of a copyright infringement action upon the Copyright Office's receipt of the application); *Commence Corp. v. Selltis, L.L.C.*, 2006 U.S. Dist. LEXIS 8833 (D.N.J. Mar. 3, 2006) ("this Court has adopted the Fifth Circuit's holding that the requirements of Section 411 are satisfied when an application for registration, fee, and deposit are received at the Copyright Office"; citing *Apple Barrel*, 730 F.2d 384 (5th Cir. 1984)); *Iconbazaar, L.L.C. v. Am. Online, Inc.*, 308 F. Supp. 2d 630, 634 (M.D.N.C. 2004) (the filing of a completed copyright application meets the registration requirement of Section 411(a)); *Secure Servs. Tech., Inc.*, 722 F. Supp. at 1364 (E.D. Va. 1989) ("[u]nder the copyright laws, copyright registration is presumed to have occurred from the

moment the owner of the copyrightable material delivers his application and filing fee to the Copyright Office. [...] Were the law otherwise, the owner of a copyright would be left in legal limbo while the Copyright Office considers whether he qualifies for a certificate of registration."); *Phoenix Renovation Corp. v. Rodriguez*, 403 F. Supp. 2d 510, 515 (E.D. Va. 2005) ("In this Court's view, a complaint alleging that the copyright holder properly applied for registration with the Copyright Office is sufficient to satisfy the precondition to an infringement action); *Tri-Marketing v. Mainstream Mktg. Servs.*, 2009 U.S. Dist. LEXIS 42694 (D. Minn. May 19, 2009)(endorsing "application approach" to Section 411(a)); *Dielsi v. Falk*, 916 F. Supp. 985 (C.D. Cal. 1996) (following Nimmer's reasoning, and holding that the requirements of 411(a) are not particularly onerous, and once the Copyright Office receives the application, the plaintiff can bring suit).

Many courts, without articulating a formal position on the role of registration, avoid directly confronting the issue by simply permitting the filing of an amended complaint once a registration certificate has issued. *See Quincy CableSystems, Inc. v. Sully's Bar, Inc.*, 650 F. Supp. 838, 850 (D. Mass. 1986) (defects in failure to comply with Section 411(a) registration requirement could be cured in amended complaint); *Oyster Software, Inc. v. Forms Processing, Inc.*, 2001 U.S. Dist. LEXIS 22520 (N.D. Cal. Dec. 6, 2001) (Plaintiff can amend complaint when registration is received).

C. Narrow Approach to the Role of Registration

1. In General

Under the "narrow" or "registration" approach, Section 411(a) is satisfied only when the Copyright Office registers, or refuses to register, a work – that is, the plaintiff must await the Copyright Office's actual registration (or denial) before ever filing suit. 2-7 Nimmer on Copyright § 7.16[B][1][a]. *See Miller v. CP Chems.*, 808 F. Supp. 1238, 1242 (D.S.C. 1992) ("Without the copyright certificates, the plaintiffs have no *prima facie* evidence of registration and thus have no standing to sue for copyright infringement."); *Goebel v. Manis*, 39 F. Supp. 2d 1318, 1320 (D. Kan. 1999) (dismissing copyright infringement claim where plaintiff had not yet received a copyright registration certificate or denial at the time of filing action); *Boyle v. Stephens, Inc.*, 1997 U.S. Dist. LEXIS 12780, at *9 (S.D.N.Y. Aug. 25, 1997) (finding no viable copyright infringement claim for plaintiff whose registration was pending, but not yet completed); *Int'l Trade Mgmt., Inc. v. United States*, 553 F. Supp. 402, 403 (Cl. Ct. 1982) ("A suit for copyright infringement is conditioned on obtaining (or being denied) a certificate of registration").

In other words, according to some courts, including the Second Circuit in the case at bar, copyright registration or refusal under Section 411(a) is an absolute requirement of subject matter jurisdiction for filing an infringement action, which may be raised by a court at any time, *sua sponte*, and cannot be waived. Thus, the "narrow" or "registration" approach has also been termed the "jurisdictional" approach.

2. Case Law

Several Circuits, including the First, Fourth, Sixth, Tenth, Eleventh, and D.C. Circuits have, at least on one occasion each, applied in varying forms, the "narrow" or "jurisdictional" approach to copyright registration, which conditions subject-matter jurisdiction on whether the plaintiff's work has been registered or finally refused by the Copyright Office at the time of filing an infringement action.[9] *See Data Gen. Corp. v. Grumman Sys. Support Corp.*, 36 F.3d 1147, 1163 (1st Cir. 1994); *Xoom, Inc. v. Imageline, Inc.*, 323 F.3d 279, 283 (4th Cir. 2003) ("Copyright registration is a jurisdictional prerequisite to bringing an action for infringement under the Copyright Act."); *Murray Hill Publ'ns, Inc. v. ABC Commc'ns, Inc.*, 264 F.3d 622, 630-32 (6th Cir. 2001) (registration requirements under Section 411 are jurisdictional prerequisite to right of holder to enforce copyright in federal court); *La Resolana Architects, P.A. v. Clay Realtor Angel Fire*, 416 F.3d 1195, 1200-02 (10th Cir. 2005) ("no language in the Act suggests that registration is accomplished by mere receipt of copyrightable material by the Copyright Office."); *M.G.B. Homes v. Ameron Homes*, 903 F.2d 1486, 1488-89 (11th Cir. 1990) ("The registration requirement of 17 U.S.C. § 411(a) is a

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[9]As Judge Walker notes in his dissenting opinion below, there is some question as to whether all of these courts have considered Section 411(a) "jurisdictional" in the sense of subject matter jurisdiction, or merely casually labeled Section 411(a) as such, a practice to which the Supreme Court itself has acknowledged falling victim. *In re Literary Works in Electronic Databases Copyright Litigation*, 509 F.3d 116, 135 (2nd Cir. 2007) (citing *Kontrick v. Ryan*, 540 U.S. 443, 454 (2004)).

jurisdictional prerequisite to an infringement action... ."); *Strategy Source v. Lee*, 233 F. Supp. 2d 1, 3 (D.D.C. 2002) ("permitting an infringement lawsuit to go forward in the absence of a registration certificate or denial of the same is in tension with the language of section 411(a) of the Copyright Act.").

Various district courts have applied the narrow approach to litigants' claims, proclaiming that their hands are tied until after the Copyright Office has spoken on registrability. *See, e.g., Morgan, Inc. v. White Rock Distilleries, Inc.*, 230 F. Supp. 2d 104, 107 (D. Me. 2002) ("copyright registration is a jurisdictional prerequisite to the right of the holder to enforce the copyright in federal court."); *Corbis Corp. v. UGO Networks, Inc.*, 322 F. Supp. 2d 520, 521 (S.D.N.Y. 2004) (holding that "[t]he combination of sections 410 and 411 thus make plain that the federal district courts do not have jurisdiction over a claim for federal copyright infringement until the Copyright Office has either approved or refused the pending application for registration"); *Mays & Assocs. v. Euler*, 370 F. Supp. 2d 362, 366 (D. Md. 2005) ("It is axiomatic that copyright registration is a jurisdictional prerequisite to bringing an action for infringement under the Copyright Act."); *Miller*, 808 F. Supp. at 1242 (D.S.C. 1992) ("Plaintiff's lack of registration is fatal to his copyright infringement cause of action and requires its dismissal. Without the copyright certificates, the plaintiff has no prima facie evidence of registration, and thus has no standing to sue for copyright infringement."); *Nat'l Info. & Communs. Equip. Network Inc. v. Willigan*, 2007 U.S. Dist. LEXIS

75799, *29 (E.D. Ky. Oct. 11, 2007) (lack of registration "dooms" the party's federal copyright claims); *Ripple Junction Design Co. v. Olaes Enters.*, 2005 U.S. Dist. LEXIS 32866, *13 (S.D. Ohio Sept. 8, 2005) (merely filing an application is not enough); *Marshall & Swift v. BS & A Software*, 871 F. Supp. 952, 958 (W.D. Mich. 1994) ("registration is a jurisdictional prerequisite to the initiation of an infringement action in federal court"); *Dodd v. Forst Smith Special Sch. Dist. No. 100*, 666 F. Supp. 1278, 1282 (W.D. Ark. 1987) ("Under the Copyright Act ... registration of the copyright, while not a prerequisite to having a protectable interest, is a jurisdictional prerequisite to the initiation of an infringement suit in federal court"); *Proulx v. Hennepin Tech. Ctrs. Dist. No. 287*, 1981 U.S. Dist. LEXIS 17634, *10 (D. Minn. Dec. 7, 1981) (section 411 requirements are jurisdictional; federal court cannot hear copyright infringement claims unless such prerequisites have been met); *Sun Media Sys. v. KDSM, LLC*, 564 F. Supp. 2d 946, 975 (S.D. Iowa 2008) (adopting Sixth Circuit rule that even a derivative work must be registered prior to filing suit); *Berry v. Penguin Group, Inc.*, 448 F. Supp. 2d 1202, 1203 (W.D. Wash. 2006) ("Only those who have 'applied and obtained registration and those who have applied and failed' have the right to file suit in federal court."); *Ryan v. Carl Corp.*, 1998 U.S. Dist. LEXIS 9012, *5 (N.D. Cal. June 15, 1998) ("A close reading of the Act indicates that registration does not occur until after the Copyright Office issues a certificate of registration."); *Loree Rodkin Mgmt. Corp.*, 315 F. Supp. 2d 1053, 1056 (C.D. Cal. 2004) ("the plain language of the Copyright Act unambiguously mandates the actual issuance of a registration

certificate before a copyright action is brought"); *Westport Historical Soc'y v. Lee*, 1997 U.S. Dist. LEXIS 11909, *7 (D. Kan. July 11, 1997) (Court would not even grant leave to amend complaint in light of pending application); *Kaye Homes, Inc. v. Original Custom Homes Corp.*, 2007 U.S. Dist. LEXIS 60847, *7 (M.D. Fla. Aug. 20, 2007) ("In the Eleventh Circuit, simply filing an application for copyright registration is not sufficient to provide federal courts with jurisdiction.").

Application of the narrow approach within individual Circuits has not been entirely uniform. And even courts nominally following the narrow approach to registration have made exceptions to their general rule. Several Circuits that have applied the narrow approach have enjoined the infringement of unregistered copyrights based on varying theories. *See, e.g., Pac. & S. Co., Inc. v. Duncan*, 744 F.2d 1490, 1499 & n. 17 (11th Cir. 1984) (Court allowed injunctive relief for unregistered copyrights because otherwise the fact that registration is not a condition of copyright would be rendered meaningless).

Where an error in the certificate of registration would necessitate correction or reissue by the Copyright Office, most courts have looked the other way and permitted the case to proceed, creating yet another exception to the jurisdictional application of Section 411(a). *See Roth Greeting Cards v. United Card Co.*, 429 F.2d 1106 (9th Cir. 1970) (copyright registration that was revised to correct an improper classification only after a lawsuit was commenced was overlooked by the

court). These cases are generally in keeping with the liberal approach to upholding registrations that contain erroneous information, absent a showing of fraud on the Copyright Office, *see e.g. Gates Rubber Co. v. Bando Am., Inc.*, 798 F. Supp. 1499, 1507 (D. Colo. 1992), which approach was recently codified as part of the PRO-IP Act. Public Law 110-403, amending 17 U.S.C. §§ 411(a) and (b)(even substantive factual errors contained in a copyright registration cannot frustrate a civil infringement claim absent fraud on the Register of Copyrights that would have caused the Register to refuse registration).

In another exception that disproves the narrow rule, a plaintiff was allowed to proceed in court, even though his registration, which he held at the time he filed suit, was *permanently cancelled* during the litigation after the bank dishonored the check written for the filing fee. *Macklin v. Mueck*, 373 F. Supp. 2d 1334, 1335 (S.D. Fla. 2005).

3. Critique of Narrow Approach

The narrow approach has been criticized as exalting form over substance and as contrary to the objectives of copyright law. "Section 411(a) does not, by its terms, provide the copyright holder with any of the sticks in his bundle of rights." *In re Literary Works in Electronic Databases Copyright Litigation*, 509 F.3d 116, 130 (2d Cir. 2007) (Walker, J. dissenting). Copyright infringement litigation can be delayed or derailed altogether while extraneous fights over technical registration requirements or defects in certificates of registration are used, in

some cases, to gain a tactical advantage to the detriment of an action's legal merits. *See Lotus Dev. Corp. v. Paperback Software Int'l*, 740 F. Supp. 37, 79-82 (D. Mass 1990) (defendant's contention that plaintiff's registration certificate for literal source code does not convey jurisdiction to adjudicate matters relating to screen displays "borders on the frivolous.")

Courts that have addressed the registration of derivative works have permitted copyright infringement suits to proceed on claims that the underlying unregistered original work was infringed where the registered derivative work was created by the same author.[10] *See, e.g., Christopher Phelps & Associates LLC v. Galloway*, 492 F.3d 532, 539 (4th Cir. 2007); *Streetwise Maps, Inc. v. VanDam, Inc.*, 159 F.3d 739, 746-47 (2d Cir. 1988); *In re Independent Services Organizations Antitrust Litigation*, 964 F. Supp. 1469, 1473 (D. Kan. 1997); *Young Design, Inc. v. Teletronics Intern., Inc.*, 2001 WL 35804500 at *12 (E.D. Va. 2001). These holdings support the view that it is not the technical act of registering the work at issue that secures the right to initiate a lawsuit.

Finally, Section 411(a)'s explicit exception for registration of foreign works is further evidence that

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[10]Even though the copyright in the derivative work technically extends only to a derivative work if based in whole or in part on a preexisting work (or works), the new material must amount, in and of itself, to an original work of authorship. A derivative work is entitled to copyright protection so long as it is sufficiently distinct from the original to be considered a new work.

the requirement is not applied uniformly as an absolute bar to subject matter jurisdiction. *Id.* (*citing* 17 U.S.C. § 411(a)). Treating Section 411(a)'s registration requirement as a subject matter jurisdiction requirement that must be fully perfected upon filing exacerbates this two-tier treatment of works and disadvantages U.S. copyright owners.

III. Judge Walker's Dissent States the Correct Approach to Section 411(a)

Judge Walker's dissenting opinion in this case correctly argues that the Majority decision below disregards Supreme Court case law that critically distinguishes jurisdiction rules from "claim processing rules." *In re Literary Works in Electronic Databases Copyright Litigation*, 509 F.3d 116, *128-29 (2d Cir. 2007) (Walker, J., dissenting) (*citing Eberhart v. United States*, 546 U.S. 12, 13 (2005))(per curiam).

As stated by the Supreme Court in *Kontrick*, the term "jurisdictional" is easily misunderstood, or simply misused because of its different meanings:

> Clarity would be facilitated if courts and litigants used the label 'jurisdictional' not for claim-processing rules, but only for prescriptions delineating the classes of cases (subject-matter jurisdiction) and the persons (personal jurisdiction) falling within a court's adjudicatory authority. *Kontrick v. Ryan*, 540 U.S. 443, 456 (2004).

As Judge Walker notes, there is some question whether courts who have considered the issue have truly analyzed whether Section 411(a) is "jurisdictional" in the sense of subject matter jurisdiction, or have casually labeled Section 411(a) as such, a practice to which the Supreme Court itself has acknowledged falling victim. *In re Literary Works in Electronic Databases Copyright Litigation*, 509 F.3d 116, *128 (2d Cir. 2007) (citing *Kontrick v. Ryan*, 540 U.S. 443, 454 (2004)). AIPLA agrees with his conclusion that the statute is not jurisdictional and that its language addresses copyright holders, not courts. *Id.* at *130.

Judge Walker next determines that, in the context of the Copyright Act's clear provisions, Section 411(a) cannot be a rights-creating statute, and concludes that it is merely an enforcement mechanism as is often the case with a procedural claims processing rule. *Id.* (citing *Boos v. Runyon*, 201 F.3d 178, 182 (2d Cir. 2000)(discussing statutory provision allowing employees of federal agencies to sue in district courts), *Arbaugh v. Y&H Corp.*, 546

U.S. 500 (2006)(addressing Title VII prerequisites to suit)).

Finally, Judge Walker stresses the purpose of Section 411(a), which is *to facilitate the enforcement of copyrights*, and the fact that Section 411(a) is "riddled with" exceptions, for example allowing suit to proceed regardless of whether the Copyright Office ultimately accepts or rejects the claimant's request for issuance of a certificate. *Id.* at *132.

These factors, according to Judge Walker, demonstrate that "the registration requirement appears simply to be a procedural or 'administrative prerequisite' which may be waived by the parties, designed to ensure that the application materials have been delivered to the Copyright Office in proper form." *Id.* (citing *Boos v. Runyon*, 201 F.3d 178, 183 (2d Cir. 2000).

Professor Nimmer endorses Judge Walker's reasoning deeming his conclusions "eminently sensible" reasoning that Section 411(a)'s registration prerequisite, with its "multiple twists and turns" seems "far closer to a processing rule than a 'prescription delineating the classes of cases... falling within a court's adjudicatory authority,' which is how the Supreme Court characterizes 'subject-matter jurisdiction.'" 2-7 Nimmer on Copyright § 7.16[B][1][c][11].

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[11]As Professor Nimmer observes, in many cases, whatever the distinction may be between a so-called "claims processing rule" and a subject matter jurisdictional requirement, these will not be significant. After all, whether labeled by the court as a "hard" requirement for subject-matter jurisdiction or a "soft" rule required to proceed with the claim, a plaintiff will have to

A. Policy Considerations Favor Walker Approach to Registration

Applying Section 411(a)'s registration requirements in a procedural fashion promotes the public policies of registration without undermining the organic protections afforded by the Copyright Act.

It is clear to most copyright owners and practitioners that the primary impetus for registration is the availability of statutory damages and attorney's fees. But these incentives are only available where registration has preceded infringement, and otherwise are forever lost. *See* 17 U.S.C. § 412 (statutory damages and attorney's fees are available remedies only for copyright owners who registered their work prior to the alleged infringing acts in dispute). However, Section 411(a) promotes particular public benefits by encouraging the voluntary registration of *previously unregistered works*. The two most obvious are: (1) to foster public disclosure of works[12] and (2) to support the U.S. Copyright Office's record keeping system by requiring submission of indentifying information and submission of a formal deposit copy for the Library

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comply *at some point* or face dismissal and very rarely will a determined plaintiff be thwarted by Section 411(a)'s requirements. But an important distinction may be that while a required procedural rule may be waived if not challenged, subject matter jurisdiction can never be waived and can even be raised *sua sponte* in the court of appeals. 2-7 Nimmer on Copyright § 7.16[B][1][c].

[12]This incentive became more evident once the Copyright Act of 1976 eliminated the publication requirement.

of Congress – both practical policies intended to benefit the public at large. Professor Patry in his treatise emphasizes the broader public benefits of registration, in contrast to the private incentives of damages, served through Section 411(a). William F. Patry, 5 Patry on Copyright §17:122 (2009) ("The primary purpose of our registration system is to create an accurate public record of claims to copyright.") *citing* Compendium II of Copyright Office Practices § 602 ("Copyright registration is intended to make a public record of the basic facts of a particular copyright."). Permitting *post-suit* registration continues to serve the purposes of building the public "library" of works (as a deposit is on file as soon as it is received by the Copyright Office).[13]

In the instant case, publication of the unregistered works served both to disclose the works to the public, and in many cases, arguably created a public record of the work through inclusion as part of a registered collective work. In contrast, requiring registration to protect previously published, yet unregistered works prior to reaching a private settlement of infringement claims, creates a disincentive to both creation of new works and to

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[13]Electronic dissemination of works arguably enhances technological means for voluntarily providing information about licensing. *See, e.g., Information Infrastructure: Task Force, Intellectual Property and the National Information Infrastructure: A Preliminary Draft of the Report on the Working Group in Intellectual Property Rights* 108-16 (July 1994).

their disclosure to the public, contrary to the primary purpose of U.S. copyright laws.[14]

Section 411(a) helps define the allegedly infringed work at issue for the parties and the court in a civil action, and provides an opportunity for the court to consider the views of the Copyright Office by allowing the Register to become a party to the action should registration be refused. As Judge Walker notes, neither policy is served where as here, a case is settled before trial.

Registration is not a condition of copyright protection. Treating Section 411(a) as a procedural "gating event" under Judge Walker's "broad approach" places registration in its proper role, i.e. though a plaintiff must register its work at some time prior to the adjudication of an infringement claim in order to proceed, it need not have a registration in hand at the time a suit is commenced to invoke the adjudicatory authority of the court. Thus, consistent with its purpose Section 411 should not limit (or preclude) subject matter jurisdiction in connection with the settlement of otherwise proper claims.

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[14]Respondents argue that most freelance authors/class members will not spend the $ 35 or $45 to register works in order to bring an actual damages claim for articles sold for $50 or $100. Brief of Respondents in Support of Petitioners, p. 3. Additionally, the sheer number of copyrightable works created by freelance authors, designers and photographers make it impracticable to register and deposit copies of each work.

B. Application of Walker Approach to this Case

While Judge Walker suggests in his dissent that not all members of a settlement-only class must possess a valid cause of action at the time of settlement under Second Circuit precedent, he also suggests that class members who did not hold registrations could have sought to register prior to a trial on the merits, *In re Literary Works*, 509 F.3d at *129 ("After several years of intense negotiation, and prior to trial (and hence without registration of many of the copyrights held by class members)", or could have attempted registration later in the context of individual actions. *Id.* ("Of course, should any [class member] wish to sue individually, the formality of prior registration could be met.")

Under the Walker approach to Section 411(a), an individual class member's failure to comply should not deprive the district court of its ability to exercise subject matter jurisdiction over the case for settlement purposes. Therefore, the District Court acted properly in exercising subject matter jurisdiction in the case and was within its authority to approve the final settlement of unregistered claims without running afoul of Section 411(a). Therefore, the Second Circuit was in error in holding, *sua sponte*, that the settlement could not stand.[15]

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[15]Because a proper reading of Section 411(a) would permit the District Court's actions, AIPLA does not address other issues raised by Second Circuit's holding, such as whether all members of a class must satisfy the requirements of Section 411(a).

CONCLUSION

Registration of works with the Copyright Office serves a number of important policies. Registration discloses works and their identifying information by making them publicly available. Registration, or its attempt, allows a court to consider the opinions of the Copyright Office on what constitutes copyrightable subject mater. Registration helps define the allegedly infringed work at issue, by requiring the author to describe and deposit that work in conjunction with its application to register. And registration narrows the issues in dispute during litigation by providing *prima facie* evidence of ownership without additional proofs. All of these objectives are furthered through offering the powerful incentive of additional remedies in the event of infringement of works registered with the Copyright Office under 17 U.S.C. § 412(a) – not at issue here.

While registration may have begun its life as a pre-condition for copyright protection, legal and policy developments, including accession to international conventions, have motivated Congress and the courts to recognize that it is not fundamental to the essence of copyrights, and should not be used as a bar to the enforcement of those rights in court. The practical public benefits of creating a publicly available repository of works — arguably the primary policy underlying Section 411(a)'s requirement to register previously unregistered and allegedly infringed works — is a goal that is consistent with the Walker approach to interpreting Section 411(a). For these reasons, the

Second Circuit Court of Appeals' decision vacating the private settlement of copyright claims on subject matter jurisdiction grounds should be reversed.

Respectfully submitted,

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AMICUS CURIAE BRIEF

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In The Supreme Court of the United States

REED ELSEVIER, INC. *et al.*,

Petitioners,

v.

IRVIN MUCHNICK *et al.*,

Respondents.

On Writ Of Certiorari To The United States Court Of Appeals For The Second Circuit

BRIEF FOR *AMICI CURIAE* COMPUTER & COMMUNICATIONS INDUSTRY ASSOCIATION AND NETCOALITION IN SUPPORT OF THE JUDGMENT BELOW

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TABLE OF CONTENTS

	Page
TABLE OF AUTHORITIES	iii
INTEREST OF *AMICI*	1
SUMMARY OF ARGUMENT	4
ARGUMENT	5
I. THE WRIT SHOULD BE DISMISSED	5
A. In the Courts Below, Petitioners Repeatedly Acknowledged the Subject Matter Jurisdictional Basis for Section 411(a)	7
1. The Settlement is Predicated on Section 411(a)	8
2. Petitioners Argued the Subject Matter Jurisdictional Basis for Section 411(a) Before the Mediator	10
3. Petitioners Argued the Subject Matter Jurisdictional Basis for Section 411(a) Before the Trial Court	11
4. Petitioners Argued the Subject Matter Jurisdictional Basis for Section 411(a) Before the Court of Appeals	12
5. Petitioners Appear to Concede the Subject Matter Jurisdictional Basis for Section 411(a) Even in the Petition for Certiorari	15
6. Comparison of Petitioners' Brief in Support of their Petition for Certiorari and their Merits Brief	16

TABLE OF CONTENTS – Continued

Page

7. The Significance of Petitioners' Prior Position that Section 411(a) is a Subject Jurisdictional Limitation 17

B. There Is No Circuit Split 18

II. THE SECOND CIRCUIT CORRECTLY INTERPRETED SECTION 411(A) TO BE JURISDICTIONAL 23

A. The Plain Words of the Statute Support the Judgment Below 23

B. Petitioners Propose a Presumption That Does Not Exist 27

C. Petitioners' "Withdrawal" Theory Overlooks the Statutory Nature of Copyright 28

D. The Section 205(d) Recordation Requirement Supports the Conclusion that Section 411(a) is Jurisdictional ... 30

CONCLUSION 34

TABLE OF AUTHORITIES

Page

CASES

Arbaugh v. Y & H Corp., 546 U.S. 500 (2006) 27

Basic Books, Inc. v. Kinko's Graphics Corp., 758 F. Supp. 1522 (S.D.N.Y. 1991) 33

Bowles v. Russell, 551 U.S. 205, 127 S. Ct. 2360 (2007) 19

Brooks-Ngwenya v. Indianapolis Public Schools, 564 F.3d 804 (7th Cir. 2009) 19

Burns v. Rockwood Distributing Co., 481 F. Supp. 841 (N.D. Ill. 1979) 34

Co-opportunities, Inc. v. National Broadcasting Co., Inc., 510 F. Supp. 43 (N.D. Cal. 1981).....33

Dae Han Video Productions, Inc. v. Nekohyang Oriental Market, Inc., 1987 WL 8327 (E.D. Pa. 1987).....32

Duncan v. Walker, 533 U.S. 167 (2001) 30

Editions Groupe i v. Anheuser-Busch, 1988 WL 70218 (S.D.N.Y. June 30, 1988).....33

Editions Groupe i v. SRO Promotions, Inc., 1989 WL 54118 (S.D.N.Y. May 16, 1989).....33

Forry, Inc. v. Neundorfer, Inc., 837 F.2d 259 (6th Cir. 1988) 32

G. P. Putnam's Sons v. Lancer Books, Inc., 251 F. Supp. 210 (S.D.N.Y. 1966) 22

H.K. Co., Inc. v. Mori Lee Associates, Inc., 1989 WL 297953 (S.D.N.Y. June 28, 1989).....33

TABLE OF AUTHORITIES – Continued

Page

Hulex Music v. Santy, 698 F. Supp. 1024 (D.N.H. 1988) 33

Kenbrooke Fabrics, Inc. v. Soho Fashions, Inc., 690 F. Supp. 298 (S.D.N.Y. 1988), 1989 WL 117704 (S.D.N.Y. Oct. 2, 1989) 33

Kontrick v. Ryan, 540 U.S. 443 (2004) 19

Layne & Bowler Corp. v. Western Well Works, Inc., 261 U.S. 387 (1923) 18

Lloyd v. Schlag, 884 F.2d 409 (9th Cir. 1989) 31, 32

Lumiere v. Pathé Exchange, 275 F. 428 (2d Cir. 1921) 21

Matsushita Elec. Indus. Co. v. Epstein, 516 U.S. 367 (1996) 15

McNabb Bennett & Associates, Inc. v. Terp Meyers Architects, 1987 WL 7817 (N.D. Ill. Mar. 10, 1987) 33

Meta-Film Associates, Inc. v. MCA, Inc., 586 F. Supp. 1346 (C.D. Cal. 1984) 32

MGM Studios, Inc. v. Grokster Ltd., 545 U.S. 913 (2005) 3

Morris v. Bus. Concepts Inc., 259 F.3d 65 (2d Cir. 2001) 12

Nation's Choice Vitamin Co. v. General Mills, Inc., 526 F. Supp. 1014 (S.D.N.Y. 1981) 32

Negron v. Rivera, 433 F. Supp. 2d 204 (D.P.R. 2006) 7

TABLE OF AUTHORITIES – Continued

Page

New York Times Co. v. Star Co., 195 F. 110 (C.C.S.D.N.Y. 1912) 34

New York Times Co. v. Sun Printing & Publishing Association, 204 F. 586 (2d Cir. 1912) 21

New York Times Co. v. Tasini, 533 U.S. 483 (2001) 8, 34

Niken v. Holder, 129 S. Ct. 1749 (2009) 25

Northern Songs, Ltd. v. Distinguished Productions, Inc., 581 F. Supp. 638 (S.D.N.Y. 1984) ... 33, 34

Patch Factory, Inc. v. Broder, 586 F. Supp. 132 (N.D. Ga. 1984) 34

Quincy Cablesystems, Inc. v. Sully's Bar, Inc., 650 F. Supp. 838 (D. Mass. 1986) 32

Raffoler, Ltd. v. Peabody & Wright, Ltd., 671 F. Supp. 947 (E.D.N.Y. 1987) 33

Regions Hosp. v. Shalala, 522 U.S. 448 (1998) 25

Robertson v. Shell Oil Co., 519 U.S. 337 (1997) 25

Rockwell Int'l Corp. v. United States, 549 U.S. 457 (2007) 27

Ruskin v. Sunrise Management, 506 F. Supp. 1284 (D. Colo. 1981) 34

Skor-Mor Products, Inc. v. Sears, Roebuck and Co., 1982 WL 1264 (S.D.N.Y. May 12, 1982) 34

Sony Corp. v. Universal City Studios, 464 U.S. 417 (1984) 2, 28

TABLE OF AUTHORITIES – Continued

Page

Swarovski America Ltd. v. Silver Deer Ltd., 537 F. Supp. 1201 (D. Colo. 1982) 34

Techniques, Inc. v. Rohn, 592 F. Supp. 1195 (S.D.N.Y. 1984) 34

TRW, Inc. v. Andrews, 534 U.S. 19 (2001) 30

United States v. Trucking Ass'n, 310 U.S. 534 (1940) 26

Wales Industries, Inc. v. Hasbro Bradley, Inc., 612 F. Supp. 510, 514 (S.D.N.Y. 1985) 33

Whimsicality, Inc. v. Rubie's Costume Co., 891 F.2d 452 (2d Cir. 1989) 11

Yamate USA Corp. v. Sugerman, 1991 WL 274854 (D.N.J. Mar. 7, 1991) 33

STATUTES

Copyright Act of 1976, codified as amended at 17 U.S.C. § 101 *et seq.*:

17 U.S.C. § 106 24

17 U.S.C. § 205(d) 30, 31, 32, 33, 34

17 U.S.C. § 411(a) ..... *passim*

17 U.S.C. § 501(b) 31

OTHER AUTHORITIES

William Patry, PATRY ON COPYRIGHT (2007) ..... *passim*

BRIEF FOR *AMICI CURIAE* COMPUTER & COMMUNICATIONS INDUSTRY ASSOCIATION AND NETCOALITION IN SUPPORT OF THE JUDGMENT BELOW

The Computer & Communications Industry Association (CCIA) and NetCoalition submit this brief as *amici curiae* in support of the judgment below, and urge that the writ be dismissed.

INTEREST OF *AMICI*[1]

The Computer & Communications Industry Association is a non-profit trade association dedicated to "open markets, open systems, and open networks." CCIA members participate in many sectors of the computer, information technology, and telecommunications industries and range in size from small entrepreneurial firms to the largest in the industry.

NetCoalition serves as the public policy voice for some of the world's most innovative Internet companies, including Google, Yahoo!, IAC/InterActive Corp., Amazon.com, eBay, Wikipedia, and Bloomberg. NetCoalition provides creative and effective solutions

[1] Pursuant to S. Ct. R. 37, *amici curiae* CCIA and NetCoalition affirm that no monetary contributions were made for the preparation or submission of this brief, and that no part of this brief was drafted by any parties in this action. Counsel of record for Petitioners, Respondents, and court-appointed *amicus* Professor Merritt have consented to the filing of this brief, and their letters of consent have been filed herewith.

to the critical legal and technological issues facing the Internet.

Amici represent companies on the cutting edge of information technology. As *amici* are functionally regulated by the copyright system, they depend upon it to fulfill its constitutional purpose of promoting progress. The companies represented by *amici* develop products and services that may qualify for the protection offered by the federal copyright system. At the same time, many of these companies' services or products enable or support the transmission or processing of information that is potentially subject to federal copyright protection. Internet and communications-related services are particularly aware of the reach of federal copyright law. Insofar as every blog post, electronic mail, voicemail, instant message, text message, and "tweet" may constitute works of authorship fixed in a tangible medium, each is potentially entitled to decades of federal copyright protection from the moment of fixation. Even the lowliest email may wield the vast powers bestowed upon works of authorship by Title 17.

Technology industries are therefore both enabled and yet imperiled by the federal copyright system. U.S. courts administer this apparatus in the hopes of achieving the "difficult balance between the interests of authors . . . in the control and exploitation of their writings . . . and society's competing interest in the free flow of ideas, information, and commerce . . . " *Sony Corp. v. Universal City Studios*, 464 U.S. 417, 429 (1984). The inherent challenge in this exercise is

that "[t]he more artistic protection is favored, the more technological innovation may be discouraged; the administration of copyright law is an exercise in managing the trade-off." *MGM Studios, Inc. v. Grokster Ltd.*, 545 U.S. 913, 928 (2005). One aspect of this trade-off is that registration serves as the gatekeeper to the courthouse.

Although it imposes minor costs upon authors, "[r]egistration of creative works confers significant benefits on the Library of Congress and the public." United States Brief ("U.S. Br.") 4. In addition to the public benefits, registration serves to mitigate the number of unmeritorious cases brought. By imposing this minor hurdle to access to the courthouse, the registration system separates wheat from chaff and ensures that only works worthy of a government-created limited monopoly can be the subject of federal litigation. This price – whose deposit and record-creating aspects ultimately inure to the public benefit – is a small one to pay to prevent litigants from invoking the authority conferred by the Copyright Act without just cause.

Registration's function as gatekeeper to the courthouse is especially important to technology companies. When every blog and tweet might be protectable under copyright, the registration requirement dramatically reduces technology companies' potential exposure to copyright infringement claims in general and copyright class actions in particular. Every day, the servers operated by Internet companies make copies of billions of copyrightable

works. But because so few of these works are registered, the threat posed by class actions regarding these works currently is small.

However, if this Court reverses centuries of precedent and finds that 17 U.S.C. § 411(a) is not jurisdictional, class action lawyers will declare open season on Internet companies. To be sure, if they chose to litigate, Internet companies would ultimately succeed in convincing courts to dismiss most of these complaints. Nonetheless, a ruling that section 411(a) is not jurisdictional will encourage copyright "trolls" to file more class actions for the purpose of extracting quick nuisance value settlements. Accordingly, *amici* seek to preserve the long-standing rule that section 411(a) is a jurisdictional bar to the federal courthouse.

SUMMARY OF THE ARGUMENT

The Court should leave standing the opinion of the Second Circuit, based on both the record and the law. First, the record indicates that, contrary to assertions at the petition stage, before the district court the parties extensively raised the subject matter nature of 17 U.S.C. § 411(a). Accordingly, under any characterization of section 411(a) offered by the parties or *amici*, the decision below was sound.

Second, on the law, there is no circuit split on the issue. Reading Petitioners' and Respondents' two

briefs is to believe that the opinion below is an aberration, a lark, an untoward departure from well-settled case law. The reality is far different: not only does the Second Circuit's opinion faithfully follow precedent in that court going back to 1911, but every other court of appeals to have decided the issue agrees, as do hundreds of district courts.[2] The aberrations are the scattered district court opinions, less than a handful, that take a different view,[3] and even these are inconsistent with governing decisions in the relevant court of appeals. There is therefore no circuit split, the traditional ground on which this Court grants certiorari.

ARGUMENT

I. THE WRIT SHOULD BE DISMISSED.

For 219 years, Congress and the courts have regarded as a subject matter jurisdictional limitation the requirement that registration of a claim to copyright be made (or after 1977, attempted but rejected) prior to instituting an infringement suit. Unlike private interests represented in numerosity or timing requirements in other federal statutes, the copyright registration prerequisite serves valuable, undisputed public policy purposes that cannot be waived by the

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[2] *See* Brief of Professor Deborah Merritt ("Merritt Br."), Appx. C.

[3] *See* Merritt Br. 41 n.13.

parties to a lawsuit. To protect those policy goals, the courts, including appellate courts, must be able to raise lack of compliance *sua sponte*. In this case, the parties raised the lack of compliance before both the district court and the court of appeals. In both the lower courts, Petitioners took the position that section 411(a) involved subject matter jurisdiction.

To read the current briefs of the parties and their *amici*, the parties were bushwhacked at the court of appeals: after years of "difficult" and "heated" negotiations, a settlement was reached with the assistance of a mediator and approved by the district court. No one, we are led to believe, questioned the jurisdiction of the district court to hear the case and approve the settlement until the appeal, when the Second Circuit held that the word "jurisdiction" in section 411(a) has meaning.

Thus, Petitioners assert the Second Circuit "upended that agreement on a ground that was not raised by any of the parties", having "*sua sponte* requested briefing on 'whether the district court had subject matter jurisdiction over claims concerning the infringement of unregistered copyright.'" Petitioners' Merits Brief ("Pet Br.") 2, 7.

One might conclude from this statement that the issue of whether section 411(a) limits the subject matter jurisdiction of the federal courts to hear copyright infringement cases was first raised by the Second Circuit. That is the very basis for the United States' brief, whose only apparent difference with the

majority opinion below is that other than in exceptional circumstances, the issue will be deemed forfeited unless raised at the trial court. U.S. Br. 27-31. But even the United States acknowledges, "district courts should enforce th[e] requirement *sua sponte*, and should decline to adjudicate an infringement suit on the merits when the plaintiff has not complied with the statutory prerequisite." U.S. Br. 11. Indeed, every brief before this Court takes the further position that section 411(a) bars an infringement action with respect to United States works where *the parties* have raised the issue at the trial level.

A. In the Courts Below, Petitioners Repeatedly Acknowledged the Subject Matter Jurisdictional Basis for Section 411(a).

The record refutes the theory that the Second Circuit ventured, uninvited, into the question of subject matter jurisdiction. As Francois de la Rochefoucauld observed: "There is nothing more horrible than the murder of a beautiful theory by a brutal gang of facts." *See Negron v. Rivera*, 433 F. Supp. 2d 204, 207 (D.P.R. 2006), *aff'd*, 504 F.3d 151 (1st Cir. 2007). The brutal gang of facts in this case demonstrates that the Petitioners had, from the inception of the case, regarded section 411(a) as involving subject matter jurisdiction, and had so argued before the district court *and* the court of appeals. The first time Petitioners took the position that section 411(a) does not act as a subject matter limitation on the courts

was *after* this Court granted certiorari and had squarely presented that issue. Even in the Petition for Certiorari, Petitioners did not deny the subject matter jurisdictional basis for section 411(a), and for a very good reason: compliance with section 411(a) is the basis for the settlement.

1. The Settlement is Predicated on Section 411(a).

Defendants (Petitioners here) and the so-called Class A and Class B plaintiffs (those who had registered) used the lack of compliance with section 411(a) by the Class C plaintiffs (those who had not registered) as the hammer by which the Class C plaintiffs were to be given the smallest possible award, and possibly zero. Unless section 411(a) deprives the federal courts of subject matter jurisdiction, the entire basis for the settlement fails.

Section 411(a) was thus the heart and wallet of the proceedings before the district court: liability was already established by this Court in *New York Times v. Tasini*, 533 U.S. 483 (2001), and thus the only battles were over money. Having chosen to divide the money based solely on compliance with section 411(a), rather than, say, the fair market value of the articles, the parties cannot now claim that the provision was raised for the first time at the court of appeals by the court of appeals. Indeed, as explained below, flatly contrary to what Petitioners have told this Court, in their merits brief to the Second Circuit Petitioners themselves took the position that section 411(a)

limited courts' subject matter jurisdiction, *before* the Second Circuit asked for supplementary briefing. It seems very likely that it was Petitioners' own brief taking that position which caused the Second Circuit to ask for additional briefing. And even in their letter brief to the court of appeals, Petitioners continued to argue that section 411(a) limited the courts' subject matter jurisdiction. It was only after the court of appeals threw out the settlement that the Petitioners changed their position before this Court; yet, their need to retain section 411(a) as the foundation for the settlement remains, which explains why Petitioners' proposed questions for certiorari were so convoluted, leading this Court to write its own question.

Given Petitioners' strategic decision to use section 411(a) to drive a hard economic bargain in the settlement, it is no wonder those negotiations are described as having been heated and intense: section 411(a) was used to push down the value of the settlement for unregistered authors potentially to zero, leading those authors to cry foul. The proposed settlement caps the potential payments for the 36 major corporations who make up the Petitioners at the *maximum* figure of $18 million; the minimum figure is $10 million.

What do the Category C authors – those who did not comply with section 411(a) receive in the settlement? The answer is not much, maybe nothing; but whatever it is, the amount is small relative to those authors who did comply with section 411(a): Class A

authors will receive payments from $875 to $1,500 per infringed work. J.A. 122-23. Class B authors will receive payments in the amount of the "greater of $150 or 12.15% of the original sale price." J.A. 123. Class C authors will receive $5 to $60 per work, *unless* the proposed overall payment cap of $18 million would otherwise be breached due to number of claims by Class A and B authors. In that event, rather than simply raise the payments made to authors whose works have been infringed above $18 million to compensate authors fairly for Petitioners' admitted infringement, payments to Class C authors would be reduced, J.A. 124. Payments to Class A and B authors would be reduced "only if necessary," that is, only after payments to all Class C authors are reduced to *zero*. Pet. App. 9a.

This is why the issue of section 411(a) as a subject matter jurisdictional bar was raised by the parties before the district court: section 411(a) was the device by which unregistered authors were squeezed. As such, the record below alone rebuts the arguments of the parties and their *amici*.

2. Petitioners Argued the Subject Matter Jurisdictional Basis for Section 411(a) Before the Mediator.

From the outset, Petitioners took the position that the settlement was impossible if it included unregistered works, and repeatedly characterized section 411(a) as involving subject matter jurisdiction

before the district court.[4] On February 15, 2002, the Petitioners submitted a memorandum to the mediator which devoted an entire subsection to explaining that section 411(a) is jurisdictional and thus bars class certification of unregistered works. *See* Defendants' Joint Mem. of Feb. 15, 2002, at 18-19, *reprinted in* Second Circuit J.A. 1601-02. The Petitioners' memo quoted section 411(a), saying that this provision, "whose language could hardly be clearer, precludes the certification of any class respecting works in which copyright has not been registered." *Id.* The Petitioners also explained that "[e]xtensive authority suggests that registration before institution of the claim is required." *Id.* (listing citations including *Whimsicality, Inc. v. Rubie's Costume Co.*, 891 F.2d 452, 453 (2d Cir. 1989) (registration is prerequisite to copyright infringement claim)).

3. Petitioners Argued the Subject Matter Jurisdictional Basis for Section 411(a) Before the Trial Court.

By working out a cap for their payments based on section 411(a), Petitioners painted themselves into a corner: they needed the subject matter jurisdictional bar of section 411(a) to justify the settlement's three-tiered payment system, which disadvantaged certain authors based entirely on non-compliance with section 411(a), but they needed the settlement to be

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[4] For other examples, *see* Merritt Br., Appx. A.

approved despite the presence of unregistered works in the class. They attempted to reconcile these conflicting positions in a September 2005 submission to the district court. That submission attempted to redefine subject matter jurisdiction as applying to the author, but in doing so repeatedly made fatal concessions. The Petitioners admitted that "[b]ecause the Copyright Act confers jurisdiction only for claims concerning registered works and precludes any infringement action for an unregistered work, *the Court would lack subject matter jurisdiction* over any person whose 'claims' all involve unregistered works. 17 U.S.C. § 411(a); *Morris v. Bus. Concepts Inc.*, 259 F.3d 65, 68 (2d Cir. 2001) (emphasis added)." Second Circuit Joint Appendix, J.A. 1554. The Petitioners also acknowledged that the plaintiffs' inability to establish liability was "*because a huge proportion of the claims were for works in which copyright had never been registered, and which were not, therefore, within the court's subject matter jurisdiction.*" J.A. 1550 (emphasis added). Additionally, the Petitioners argued that "the law appeared to foreclose certifying any class action that would have encompassed claims respecting unregistered works . . . " J.A. 1551.

4. Petitioners Argued the Subject Matter Jurisdictional Basis for Section 411(a) Before the Court of Appeals.

Before the Second Circuit, Petitioners repeated arguments from the above submission, but also added:

> Because the Copyright Act confers *jurisdiction* over suits for infringement of United States works only if those works are registered – and requires every infringement plaintiff to allege registration – *the district court would have lacked subject matter jurisdiction* over any complaint for infringement of articles in U.S. newspapers and periodicals filed by a person whose "claims" all involved unregistered works. *17 U.S.C. §411(a).*

Brief for Plaintiffs-Appellees before the Second Circuit at 22 (emphases added).

This passage likely precipitated the Second Circuit's allegedly *"sua sponte"* request for supplementary briefing. But even after the Second Circuit asked for supplementary briefing, Petitioners continued to describe section 411(a) as a limitation on the courts' subject matter jurisdiction. Given, however, the need to get the settlement approved with unregistered claims, they could not directly answer the question posed by the Second Circuit's request – "whether the District Court had subject matter jurisdiction over claims concerning the infringement of unregistered copyrights." They chose not to answer, instead formulating and answering a question aimed at obtaining settlement approval. The Petitioners' letter brief to the court of appeals professed them to be:

> constrained to rephrase the question, because the question posed implicitly assumes

> that the District Court exercised "subject matter jurisdiction over claims concerning the infringement of unregistered copyrights." We do not understand that the District Court did so. Rather, it asserted jurisdiction over a lawsuit in which each and every claim of each and every named plaintiff concerned a properly registered work, consistent with 17 U.S.C. §411(a), and then exercised its power to approve a class action settlement pursuant to Fed. R. Civ. P. 23(e), as to which §411(a) plays no role.
>
> *17 U.S.C. §411(a) is phrased and has been understood as a pre-condition to the exercise of subject matter jurisdiction conferred by 28 U.S.C. §1338.* It provides that "no action for infringement of the copyright in any United States copyright work shall be instituted until . . . registration of the copyright claim has been made in accordance with this title." *That requirement was literally and completely satisfied here. The actions in the District Court were not instituted until registration of the works named in suit was made in accordance with §411(a).*

Merritt Br., Appx. A, 72a-73a (emphases added, citations omitted). Nothing in section 411(a), however, distinguishes between unregistered claims that are not part of a class action and those that are.

If there remained any ambiguity regarding the position of Petitioners' (defendants below) on the subject matter jurisdiction constraint posed by section 411(a), however, it was certainly erased by their

petition for rehearing before the Second Circuit. In that petition, they declared that "[t]he court below did not assume jurisdiction to adjudicate infringement claims or grant damages regarding unregistered works – powers that defendants agree the court lacked." *See* Merritt Br., Appx. A, 78a.

5. Petitioners Appear to Concede the Subject Matter Jurisdictional Basis for Section 411(a) Even in the Petition for Certiorari.

Before this Court, Petitioners' prior endorsement of section 411(a) as limiting courts' subject matter jurisdiction is not even mentioned, and Petitioners' sensitivity to their prior position is reflected in their proposed questions for certiorari, the first of which refers to "the usual power of lower courts to approve a comprehensive settlement releasing claims that would be outside the courts' subject matter jurisdiction to adjudicate". *See* Cert. Pet. at i. This question admits to Petitioners' prior views that section 411(a) indeed limits the courts' subject matter jurisdiction by acknowledging that the claims in question – claims for unregistered works – are outside the courts' subject matter jurisdiction. Petitioners are seeking approval of the settlement nonetheless, but on other grounds, relying on the non-copyright case of *Matsushita Elec. Indus. Co. v. Epstein*, 516 U.S. 367 (1996). Nowhere in their brief in support of the Petition for Certiorari do Petitioners state section 411(a) is non-jurisdictional.

6. Comparison of Petitioners' Brief in Support of their Petition for Certiorari and their Merits Brief.

This Court's restated Question wisely forced the issue: "Does 17 U.S.C. § 411(a) restrict the subject matter jurisdiction of the federal courts over copyright infringement actions?" Unable to rewrite the question as they did before the court of appeals, Petitioners now abandon their prior unequivocal position that section 411(a) does limit federal courts' subject matter jurisdiction.

Petitioners' reversal of position between the petition and merits brief is cast into greater relief by the otherwise similar nature of these submissions. While both briefs' Statements of the Case begin quite similarly, they then diverge radically.[5] Petitioners' Brief now claims that the Second Circuit "erected a jurisdictional bar to the inclusion of unregistered works in any settlement . . . [and] relied almost exclusively on its own precedents to reach that conclusion", whose holdings it dismisses as "'drive-by jurisdictional' characterizations". When petitioning for certiorari, on the other hand, Petitioners claimed that the "Second Circuit ignored decades of decisions by this Court, federal appellate courts, and state courts, which had uniformly held that in the interests of settling disputes courts may release claims *that they lacked jurisdiction to adjudicate.*" *Compare* Pet.

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[5] *Compare* Cert. Pet. 2 para. 2 *with* Pet. Br. 2 para. 2.

Br. 2, 3 *with* Cert. Pet. 2-3. Even in their first brief to this Court, Petitioners concede that section 411(a) is jurisdictional. Additionally, Petitioners' description of the Second Circuit's ruling in the Petition Brief focused on the court of appeals' holding on 28 U.S.C. § 1367, and argued that Petitioners had complied with the subject matter jurisdictional requirements of section 411(a) by virtue of the named plaintiffs' registrations. *See* Cert. Pet. 8-9. In Petitioners' current Brief, the Second Circuit's sins are recast as relying on dicta in two earlier circuit decisions that section 411(a) is jurisdictional, decisions that Petitioners had themselves relied upon before the trial court. Pet. Br. 8-9.

7. The Significance of Petitioners' Prior Position that Section 411(a) is a Subject Jurisdictional Limitation.

The importance of Petitioners' flip-flops on section 411(a) lies in the fact that no one, including Petitioners, denies that where a party does raise what has been mischaracterized as a "mandatory provision" before the trial court, the court must enforce that provision. The brief for the United States makes this point explicit in section IIA, entitled "Section 411(a) Is a Mandatory Prerequisite to Suit That Should Be Strictly Enforced When Raised By A Party," U.S. Br. 20-24. As outlined above, Petitioners repeatedly raised section 411(a).

According to this Court's Rule 10, "[a] petition for a writ of certiorari will be granted only for compelling reasons." Indeed, the Court has stated:

> it is very important that we be consistent in not granting the writ of certiorari except in cases involving principles the settlement of which is of importance to the public as distinguished from that of the parties, and in cases where there is a real and embarrassing conflict of opinion and authority between the circuit courts of appeal.

Layne & Bowler Corp. v. Western Well Works, Inc., 261 U.S. 387, 393 (1923) (internal quote marks omitted). Not only is there admittedly no circuit split in this case, but as in *Layne & Bowler*, close examination of the record reveals facts which render the dispute a non-dispute; there is simply no case or controversy before the Court since Petitioners raised the jurisdictional bar posed by section 411(a) before the district court. They continued to do so before the court of appeals. Under arguments espoused by the parties themselves, the judgment below was sound. Accordingly, the writ should be dismissed.

B. There Is No Circuit Split.

Every court of appeals to have decided the issue has held that section 411(a) concerns the court's

subject matter jurisdiction,[6] as have hundreds of district courts, *see* Merritt Br., Appx. A, 81a; *see also* William Patry, 5 PATRY ON COPYRIGHT § 17:64.50 (2007) (cataloguing cases) (2009 update available on Westlaw at PATRYCOPY). According to Petitioners, every single one of these opinions, including those issued decades before *Kontrick v. Ryan*, 540 U.S. 443 (2004) were "drive-by" discussions. Pet. Br. 43. Many decisions all going one way look instead like a well-ridden highway. In *Bowles v. Russell*, 551 U.S. 205 n.2 (2007), this Court observed:

> Regardless of this Court's past careless use of terminology, it is indisputable that time limits for filing a notice of appeal have been treated as jurisdictional in American law for well over a century. Consequently, the dissent's approach would require the repudiation of a century's worth of precedent and practice in American courts. Given the choice between calling into question some dicta in our recent opinions and effectively overruling a century's worth of practice, we think the former option is the only prudent course.

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[6] In a per curiam opinion, *Brooks-Ngwenya v. Indianapolis Public Schools*, 564 F.3d 804 (7th Cir. 2009) the Seventh Circuit held that the requirement in section 411(a) that where an application has been rejected, notification to the Register must be given of the filing of an infringement suit by the rejected applicant is "nonjurisdictional, but is still a prerequisite to the institution of the infringement suit." The court also noted the grant of certiorari in this case. The court of appeals did not reach the issue posed in this case because it was not before it.

In the case of section 411(a) and its predecessors, there is an unbroken federal legislative line going back 219 years.[7] The line of case law in the Second Circuit alone goes back to 1912, a mere three years after passage of section 12, section 411(a)'s predecessor. In *New York Times Co. v. Star Co.*, a case not cited by the parties, Circuit Judge Lacombe held:

> The subject of statutory copyright being one wholly within the powers of Congress, it had full power to restrict in any way it chose the maintaining of such actions or proceedings in the courts as are concerned with the subject of infringement of the rights secured by such statute. A prohibition so broad as this goes to the *jurisdiction* of the courts to entertain such action or proceedings, and if the prohibition were operative when the injunction was served, the latter would be void, because made in an action which could not be maintained, and of which, *therefore, the court could not have jurisdiction.*

195 F. 110, 112 (C.C.S.D.N.Y. 1912) (emphasis added). The following year, in another case also not cited by

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[7] The statutory history of the registration as a prerequisite to bringing an infringement action may be traced further back, to the English 1710 Statute of Anne and the U.S. state statutes passed prior to the Constitution. *See* 5 PATRY ON COPYRIGHT § 17:64.10, at 195-96. Petitioners also invoke this history, but conclude that by failing to disavow 19th century English precedents in 1976, Congress should be charged with having adopted their meaning. *See* Pet. Br. 37 n.17.

the parties or their *amici*, the Second Circuit expressly endorsed Judge Lacombe's opinion. With respect to registration, it stated:

> Manifestly the statute refers to precisely such an action as this, otherwise the language is meaningless. We are not concerned here with the wisdom or necessity of the provision. Congress was conferring a special privilege upon authors and could limit that privilege in any manner it saw fit. In order to secure a valid copyright or a valid patent, it is necessary to comply with every requirement of the law and a discussion of the wisdom or unwisdom of such requirements is wholly irrelevant. If a change in the law be needed, recourse should be had to the legislative and not to the judicial branch of the government.

New York Times Co. v. Sun Printing & Publishing Association, 204 F. 586, 587 (2d Cir. 1912).

In 1921, in affirming a decision by then district judge Learned Hand, the Second Circuit, in construing section 12 held: "The parties cannot by agreement, expressed or implied, alter the statute." *Lumiere v. Pathé Exchange*, 275 F. 428, 430 (2d Cir. 1921). Such a holding of course is inconsistent with treating the provision as non-jurisdictional.

In 1966, two years after section 411(a) was drafted, a district judge in the Southern District of New York, in dismissing a copyright infringement action for lack of jurisdiction for failure to comply

with section 12 wrote: "Plaintiffs have not cited, nor have I found any case in which *jurisdiction* was retained after dismissal under these circumstances and I see no justification for doing so here." *G. P. Putnam's Sons v. Lancer Books, Inc.*, 251 F. Supp. 210, 214 (S.D.N.Y. 1966) (emphasis added). The Patry treatise, in its exhaustive examination of the case law, found none after that date. *See* 5 PATRY ON COPYRIGHT § 17:64.40, at 202.

The legislative reports to the 1976 Act express an intent to continue this unbroken line of case law:

> The first sentence in section 411(a) restates the present statutory requirement that registration be made before a suit for copyright infringement is instituted. Under the bill, as under the law now in effect, a copyright owner who has not registered his claim can have a valid cause of action against someone who has infringed his copyright, but he cannot enforce his rights in court until he has made registration.

S. Rep. No. 94-473, 94th Cong., 1st Sess. 139 (1975); H.R. Rep. No. 94-1476, 94th Cong., 2d Sess. 157 (1976).

In a recent amendment to the Copyright Act, the House of Representatives, in discussing sections 411(a) and 412, also described them as "jurisdictional and remedial provisions," H.R. Rep. No. 110-617,

110th Cong., 2d Sess. 39 (2007).[8] The parties below do not cite to a single court of appeals opinion holding that the registration requirement is not jurisdictional. Accordingly, the writ should be dismissed.

II. THE SECOND CIRCUIT CORRECTLY INTERPRETED SECTION 411(A) TO BE JURISDICTIONAL.

A. The Plain Words of the Statute Support the Judgment Below.

There is an air of unreality in the parties' briefs about how Congress drafts statutes and how courts interpret them. According to those briefs, Congress engages in "jurisdiction-speak" only when it places the provision in question in a chapter of a statute that is (1) clearly demarcated as jurisdictional, *and* (2) where the language employed uses the word "jurisdiction" or a very close analogue in every sentence in the provision in question. *See* Pet. Br. 12; 17; Muchnick Respondents' Br. 12.

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[8] In attempting to play down the importance of this passage, Petitioners complain that Congress "did not clarify the sense in which either section was 'jurisdictional,' nor explain whether it used that term precisely or in the loose fashion reflected in the lower courts' recent case law." Pet. Br. 32 n.14. Petitioners apparently want Congress in drafting not only legislative language but also committee reports to include a preface along the lines of "We are using language precisely and not loosely like some of those errant lower courts do."

Conspicuously, the parties must propose a conjunctive test in order to overcome the embarrassing fact that section 411(a) *does* use the word "jurisdiction."[9] But according to the parties, the word jurisdiction was not placed in the correct part of the Copyright Act, nor in the correct sentence, even though section 411(a) in its entirety is only three sentences long and the sentence in which the word jurisdiction is used concerns the identical question as the other two sentences: the power of the federal courts to hear a case where a registration has not been obtained. So fatal to Petitioners' appeal is section 411(a)'s use of the word jurisdiction that the

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[9] The provision reads:

> "(a) Except for an action brought for a violation of the rights of the author under section 106A(a), and subject to the provisions of subsection (b), no action for infringement of the copyright in any United States work shall be instituted until preregistration or registration of the copyright claim has been made in accordance with this title. In any case, however, where the deposit, application, and fee required for registration have been delivered to the Copyright Office in proper form and registration has been refused, the applicant is entitled to institute an action for infringement if notice thereof, with a copy of the complaint, is served on the Register of Copyrights. The Register may, at his or her option, become a party to the action with respect to the issue of registrability of the copyright claim by entering an appearance within sixty days after such service, *but the Register's failure to become a party shall not deprive the court of jurisdiction to determine that issue.*"

(emphasis added).

brief for the American Intellectual Property Law Association, in support of Petitioners, conspicuously omits the offending sentence from its quotation of the provision. AIPLA Br. 11.[10]

This Court has repeatedly emphasized that statutory interpretation takes place contextually, *Niken v. Holder*, 129 S. Ct. 1749, 1756 (2009); *Regions Hosp. v. Shalala*, 522 U.S. 448, 460 n.5 (1998); *Robertson v. Shell Oil Co.*, 519 U.S. 337, 341 (1997). The context of section 411(a) is plain: no suit for infringement may be instituted unless registration has been obtained or rejected; the failure to comply deprives the court of jurisdiction, but the failure of the Register of Copyrights to join does not. Section 411(a) is of a piece, and should not be sliced-and-diced into fragments so that the parts are less than its whole.

The *Kontrick* Court did not suggest that *Congress* must use magic words for a provision to be deemed to involve subject matter jurisdiction. Congress's intent in this regard should be determined by long-standing and conventional tools of statutory interpretation: Unlike Article III jurisdictional issues, which are Constitutionally-dependent, the issue in this case is one of simple statutory interpretation. To resolve this issue, there is "no more persuasive evidence of the purpose of a statute than the words by which the

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[10] AIPLA also proposes two interpretative categories for section 411(a): narrow and broad. *See* AIPLA Br. 4. *Amici* are unaware of any basis for the categories.

legislature undertook to give expression to its wishes." *United States v. Trucking Ass'n*, 310 U.S. 534, 543 (1940). Read plainly in its context, and buttressed by over two hundred years of history, section 411(a) clearly acts as a subject matter jurisdictional limitation on the federal courts to hear claims of copyright infringement where no registration has been obtained from or rejected by the Copyright Office. That was Congress's intent, and that is how the lower courts have interpreted Congress's intent, through hundreds of decisions. *See* Merritt Br., Appx. C, 81a-125a; 5 PATRY ON COPYRIGHT § 17:24. Nothing more can be asked of Congress than that it make its meaning plain, as it has done with section 411(a) and its predecessors.[11]

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[11] We dispute the suggestion, drawn from the treatise by one of Petitioners' counsel, that copyright registration is analogous to a filing fee in civil actions. *See* U.S. Br. 29 n.17 (making unsourced analogy); Pogrebin Respondents' Br. 12 n.10 (making analogy, crediting source). The clerk's receipt of a filing fee involves no exercise of expert discretion. A proper registration requires not only a fee, but also a proper application, a proper deposit copy, and most importantly, expert examination by the Register to determine whether the work as embodied in the deposit copy and the claim made in the application conform to the requirements of the Copyright Act. We also note that those who have received a registration or have been refused must as well pay the civil filing fee.

B. Petitioners Propose a Presumption That Does Not Exist.

Not content to slice-and-dice section 411(a) into three unrelated sentences in an effort to render meaningless its explicit reference to jurisdiction, Petitioners assert that this Court has established a presumption or "especially strong inference" that Congress must "use[ ] the language of jurisdiction" to "deprive federal courts of jurisdiction." Pet. Br. 12-13 (citing *Rockwell Int'l Corp. v. United States*, 549 U.S. 457, 468 (2007); *Arbaugh v. Y & H Corp.*, 546 U.S. 500, 515-16 (2006). Wholly apart from the fact that Congress cleared this tautological hurdle by using the word "jurisdiction" in section 411(a), the opinions of this Court cited do not use the words "presumption" or "inference," and do not stand for the proposition for which they are cited.[12] Petitioners would require Congress to have not only used the word "jurisdiction" in all three sentences of section 411(a) – using the word in the final sentence is, according to Petitioners, insufficient – but also in 28 U.S.C. § 1338(a). *See* Pet. Br. 23, 33. This is absurd. Section 1338(a) covers not only copyrights, but also patents, plant variety protection, and trademarks. Under Petitioners' theory of statutory interpretation, Congress must

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[12] The "exception" theory proposed by Petitioners and their *amicus* (Pet. Br. 18; AIPLA Br. 8-10), which asserts that the presence of "exceptions" in section 411(a) constitutes proof that the provision is not jurisdictional, is similarly baseless. The briefs do not cite this Court's jurisprudence for the "exception" theory, and it is supported by neither *Arbaugh* nor *Rockwell*.

not only cross-reference in section 1338(a) every jurisdictional copyright, patent, plant variety protection, and trademark statute to which it applies, but it must also ensure that every jurisdictional intellectual property statute in turn cross references section 1338(a).[13] Such clumsy, burdensome drafting protocols are not required.

C. Petitioners' "Withdrawal" Theory Overlooks the Statutory Nature of Copyright.

Copyright is entirely a creation of Congress. "As the text of the Constitution makes plain, it is Congress that has been assigned the task of defining the scope of the limited monopoly that should be granted to authors or to inventors in order to give the public appropriate access to their work product." *Sony*, 464 U.S. at 431. Congress need not grant copyright – the Constitution permits Congress to enact copyright legislation, but does not mandate it.[14] As permissive, Congress can decide not only the scope of the right,

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[13] The Muchnick Respondents assert that the federal courts "obtain subject matter jurisdiction over copyright infringement actions not from Section 411(a)," but rather from 18 U.S.C. §§ 1131 or 1338(a). Muchnick Respondents' Br. 24. However, the question in this case is not *how* district courts may exercise subject matter jurisdiction where it properly lies, but rather when they may *not* exercise it. Congress has made clear in section 411(a) that subject matter jurisdiction does not exist if section 411(a) is not complied with.

[14] Art. 1, § 1, cl. 8.

but jurisdictional issues for the right as well. The first Copyright Act, the Act of 1790, did not give federal courts the right to hear copyright cases, which were instead heard by state courts. It was not until 1819 that the federal courts were given original, but not exclusive jurisdiction to hear copyright cases. *See* 1 PATRY ON COPYRIGHT § 1:22. It was not until 1873, that the federal courts were granted exclusive jurisdiction over copyright cases. *See* 1 PATRY ON COPYRIGHT § 1:34.

Since 1790, for the entire history of federal copyright, there has been a limitation on all courts that they lack jurisdiction to hear infringement actions unless the registration has been complied with: unfettered jurisdiction could hardly ever have been "withdrawn," as Petitioners suggest, *see* Pet. Br. 25-26, since it never existed. Chronologically, moreover, the direct predecessor to section 411(a), section 12 of the 1909 Act predated 28 U.S.C. § 1338(a) by 38 years[15] and could thus hardly be considered to have withdrawn jurisdiction from that later section.

As with Petitioners' frog-like dissection of section 411(a), the "withdrawal" theory ignores the inconvenient fact that the 1976 Copyright Act was a complete revision of the law. The 1976 Copyright Act was an omnibus repeal of the 1909 Act. Section 411(a) was drafted as part of Congress's rethinking of various

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[15] It predated sections 24 and 256 of the Judicial Code of 1911, 36 Stat. 1087 by two years.

fundamental aspects of copyright law. One aspect from previous law surviving the general revision with little alteration was the requirement that courts had no jurisdiction to hear infringement claims unless registration had first been obtained, except when registration had been sought, but refused. This caveat was new, a result of the Register of Copyright's dissatisfaction with prior law which had required a mandamus action be brought before an infringement action be brought where registration had been refused, *see* 5 PATRY ON COPYRIGHT § 17:64.50, at 203-06. In making this change, Congress wanted to ensure that the failure of the Register to join the parties' private suit did not deprive the court of jurisdiction. H.R. Rep. No. 94-1476, 94th Cong., 2d Sess. 157 (1976); S. Rep. No. 94-473, 94th Cong., 1st Sess. 139 (1975). Had Congress not considered section 411(a) to be jurisdictional, it would not have required the language "but the Register's failure to become a party shall not deprive the court of jurisdiction to determine that issue." This Court has repeatedly held that words in a statute are to be given meaning and not treated as surplusage. *TRW, Inc. v. Andrews*, 534 U.S. 19, 31 (2001); *Duncan v. Walker*, 533 U.S. 167, 174 (2001). The parties' approach to section 411(a) does precisely that.

D. The Section 205(d) Recordation Requirement Supports the Conclusion that Section 411(a) is Jurisdictional.

In what seems like a throw-away point, Petitioners state that former 17 U.S.C. § 205(d), enacted as

part of the 1976 Act, and repealed as part of the Berne Convention Implementation Act of 1988,[16] supports Petitioners' argument that the word "institute" in sections 205(d), 411(a), and 501(b) indicated the word referred to a precondition, not a subject matter jurisdictional requirement.[17] In a footnote, Petitioners claim: "Former §205(d) expressly required recordation of a transferee's chain of title as a 'prerequisite to [an] infringement suit.' No appellate court ever held it jurisdictional." Pet. Br. 46 n.24. Petitioners overlook *Lloyd v. Schlag*, 884 F.2d 409 (9th Cir. 1989), however, where the court of appeals affirmed a Rule 11 award of attorney's fees against an attorney who had failed to comply with section 205(d), resulting in the district court granting a motion to dismiss for lack of subject matter jurisdiction. The court held "that a reasonable attorney admitted to practice before the district court would have discovered that a copyright infringement suit cannot be brought unless

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[16] Pub. L. No. 100-568, §§ 5(1), (2), 13, 102 Stat. 2857, 2861 (Oct. 31, 1988).

[17] As enacted, section 205(d) read:

> No person claiming by virtue of a transfer to be the owner of copyright or of any exclusive right under a copyright is entitled to institute an infringement action under this title until the instrument of transfer under which such person claims has been recorded in the Copyright Office, but suit may be instituted after such recordation on a cause of action that arose before recordation.

The origins of the term "institute" in section 411(a), is discussed at 5 PATRY ON COPYRIGHT § 17:64.40 n.3, at 200-01.

and until the copyright transfer has been properly recorded, and ascertained that the recordation has been accomplished." 884 F.2d at 412 (citing 17 U.S.C. § 205(d)). Similarly, in *Forry, Inc. v. Neundorfer, Inc.*, 837 F.2d 259 (6th Cir. 1988), the issue was raised before the Sixth Circuit, but not reached, although the court of appeals appears not to have disputed the jurisdictional nature of the requirement. *Id.* at 262 ("Under 17 U.S.C. § 205(d) the owner of a transferred copyright must record the transfer in order to institute an infringement action. It has been held that recordation of the transfer of a copyright is a jurisdictional prerequisite to suit.") (citing *Nation's Choice Vitamin Co. v. General Mills, Inc.*, 526 F. Supp. 1014, 1017 (S.D.N.Y. 1981)).[18] *Amici* have found no district court opinion holding section 205(d) was *not* jurisdictional[19] (nor do

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[18] *Nation's Choice* itself held that "Plaintiff's failure to comply with this condition precedent strips this court of subject matter jurisdiction over plaintiff's copyright claim." *Nation's Choice Vitamin Co. v. General Mills, Inc.*, 526 F. Supp. 1014, 1017 (S.D.N.Y. 1981).

[19] The court in *Dae Han Video Productions, Inc. v. Nekohyang Oriental Market, Inc.*, 1987 WL 8327 (E.D. Pa. 1987) referred to the provision as a "mandatory prerequisite" without explaining what was meant by the term, but defendant, as noted by the court, challenged the court's subject matter jurisdiction. The court did not disagree with that characterization in its brief order. The court in *Quincy Cablesystems, Inc. v. Sully's Bar, Inc.*, 650 F. Supp. 838, 850-51 (D. Mass. 1986) referred to both section 205(d) and section 411(a) as a condition precedent and jurisdictional. In *Meta-Film Associates, Inc. v. MCA, Inc.*, 586 F. Supp. 1346, 1351 (C.D. Cal. 1984), the court in addressing defendant's

(Continued on following page)

Petitioners offer any), and numerous courts have held that it is.[20]

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jurisdictional argument, referred to the section as a condition precedent for the purpose of permitting a plaintiff who received and recorded an assignment after the suit was filed to proceed. To the same effect is *Co-opportunities, Inc. v. National Broadcasting Co., Inc.*, 510 F. Supp. 43, 48-49 (N.D. Cal. 1981). This is the approach taken in *Northern Songs, Ltd. v. Distinguished Productions, Inc.*, 581 F. Supp. 638, 641 (S.D.N.Y. 1984) which took the same approach and treated the section as jurisdictional.

[20] *Basic Books, Inc. v. Kinko's Graphics Corp.*, 758 F. Supp. 1522, 1541 (S.D.N.Y. 1991); *Yamate USA Corp. v. Sugerman*, 1991 WL 274854, at *4 (D.N.J. Mar. 7, 1991); *Wales Industries, Inc. v. Hasbro Bradley, Inc.*, 612 F. Supp. 510, 514 (S.D.N.Y. 1985) (in a section entitled "Subject Matter Jurisdiction"); *H.K. Co., Inc. v. Mori Lee Associates, Inc.*, 1989 WL 297953, at *2 (S.D.N.Y. June 28, 1989) ("recordation of the transfer of a copyright is a jurisdictional prerequisite to maintenance of a copyright infringement action, and failure to comply strips a court of subject matter jurisdiction over the action under the plain language of 17 U.S.C. § 205(d)"); *Editions Groupe i v. SRO Promotions, Inc.*, 1989 WL 54118 (S.D.N.Y. May 16, 1989)("This copyright infringement dispute was previously dismissed by this Court (Metzner, J.) for lack of jurisdictional standing *after a jury trial*) (emphasis added) (*see also Editions Groupe i v. Anheuser-Busch*, 1988 WL 70218 (S.D.N.Y. June 30, 1988) involving the same plaintiff and same result); *Kenbrooke Fabrics, Inc. v. Soho Fashions, Inc.*, 690 F. Supp. 298, 302 (S.D.N.Y. 1988), 1989 WL 117704 (S.D.N.Y. Oct. 2, 1989); *Hulex Music v. Santy*, 698 F. Supp. 1024, 1027 (D.N.H. 1988); *Raffoler, Ltd. v. Peabody & Wright, Ltd.*, 671 F. Supp. 947, 952 (E.D.N.Y. 1987); *McNabb Bennett & Associates, Inc. v. Terp Meyers Architects*, 1987 WL 7817, at *3 (N.D. Ill. Mar. 10, 1987) ("From the plain language of this section and the previous holdings of other courts, it is clear that an allegation of recordation is a jurisdictional prerequisite necessary for filing a copyright-infringement action where such an assignment is the basis of the plaintiff's claim. [citations

(Continued on following page)

The cases interpreting section 205(d), which even according to Petitioners is structurally identical to section 411(a), provides further, compelling proof that section 411(a) acts as a limitation on the courts' subject matter jurisdiction.

CONCLUSION

The Petitioners, having painted themselves into a corner, propose to escape by knocking down copyright's jurisdictional walls as constructed by Congress. They threaten that unless they have their way, "the nation's electronic databases and archives will be permanently depleted. . . ." Pet. Br. 3. The Court has heard the same before from Petitioners, in the first go-around in the *Tasini* case, and rejected it. *New*

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omitted]. MBA's failure to comply with this condition precedent strips this court of subject-matter jurisdiction over MBA's copyright claim."); *Techniques, Inc. v. Rohn*, 592 F. Supp. 1195, 1997 (S.D.N.Y. 1984) ("17 U.S.C. § 205(d) mandates that recordation of the transfer is a jurisdictional prerequisite to an infringement action. Failure to comply with that provision deprives the court of subject matter jurisdiction."); *Northern Songs, Ltd. v. Distinguished Productions, Inc.*, 581 F. Supp. 638, 641 (S.D.N.Y. 1984); *Patch Factory, Inc. v. Broder*, 586 F. Supp. 132, 133 (N.D. Ga. 1984); *Skor-Mor Products, Inc. v. Sears, Roebuck and Co.*, 1982 WL 1264, at *2 (S.D.N.Y. May 12, 1982); *Swarovski America Ltd. v. Silver Deer Ltd.*, 537 F. Supp. 1201, 1203 (D. Colo. 1982); *Ruskin v. Sunrise Management*, 506 F Supp. 1284, 1288-89 (D. Colo. 1981); *Burns v. Rockwood Distributing Co.*, 481 F. Supp. 841, 846-47 (N.D. Ill. 1979).

York Times Co. v. Tasini, 533 U.S. 483, 486 (2001). The Court followed the will of Congress in *Tasini*, and the sky did not fall. Nor will the sky fall this time if the Court again follows the will of Congress. The writ should be dismissed and the judgment of the United States Court of Appeals for the Second Circuit should be permitted to stand.

Respectfully submitted,

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AMICUS CURIAE BRIEF

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In The
Supreme Court of the United States

REED ELSEVIER, INC., ET AL.,

Petitioners,

v.

IRVIN MUCHNICK, ET AL.,

Respondents.

On Writ Of Certiorari To The United States Court Of Appeals For The Second Circuit

BRIEF OF COURT-APPOINTED AMICUS CURIAE IN SUPPORT OF THE JUDGMENT BELOW

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QUESTION PRESENTED

Does 17 U.S.C. § 411(a) restrict the subject matter jurisdiction of the federal courts over copyright infringement actions?

TABLE OF CONTENTS

	Page
Interest of Amicus Curiae	1
Jurisdiction	1
Statement of the Case	1
Summary of Argument	12
Argument	15
I. Section 411(a) Limits the Federal Courts' Subject-Matter Jurisdiction	15
A. The Plain Language of Section 411(a) Restricts Subject-Matter Jurisdiction	17
1. Section 411(a) Expressly Refers to "Jurisdiction"	18
2. Section 411(a) Creates Classes of Cases	21
3. The Copyright Act Directs Courts To Assure That the Registration Requirement Is Met	24
B. Courts, Legislators, and Scholars Have Consistently Construed Section 411(a) as Jurisdictional	26
1. The 1790 Copyright Bargain	27
2. The 1909 Copyright Act	30
3. The 1976 Copyright Act	35
4. Ongoing Judicial Interpretation of Section 411(a)	38
5. Recent Congressional Action	42

TABLE OF CONTENTS – Continued

Page

C. Section 411(a) Furthers Vital Public Purposes 44

1. Section 411(a) Supports a Public Record of Copyright Claims..... 45

2. Section 411(a) Shields Federal Courts from Burdensome Litigation..... 47

3. The Registration Requirement Protects Defendants from Frivolous and Scattershot Claims 51

4. The Library of Congress Depends Upon Section 411(a)..... 54

II. The Integrity of the Judicial Process Precludes the Parties from Waiving Section 411(a) 57

A. The Parties Deliberately Invoked Section 411(a)'s Jurisdictional Bar..... 58

B. Petitioners' Waiver Would Destroy Their Own Settlement..... 61

C. No Public Interest Justifies This Retroactive Waiver..... 62

III. Neither a Special Rule for Settlement Nor the Supplemental Jurisdiction Act Cures the Jurisdictional Defect..... 65

Conclusion..... 69

TABLE OF AUTHORITIES

Page

CASES

Allapattah Services, Inc. v. Exxon Corp., 333 F.3d 1248 (11th Cir. 2003), *aff'd*, 545 U.S. 546 (2005) 68

Amchem Products, Inc. v. Windsor, 521 U.S. 591 (1997) 10, 59, 62

American Geophysical Union v. Texaco, Inc., 802 F. Supp. 1 (S.D.N.Y. 1992), *aff'd*, 60 F.3d 913 (2d Cir. 1994) 6

Arbaugh v. Y & H Corp., 546 U.S. 500 (2006) 15, 16, 17, 24, 31

Arbaugh v. Y & H Corp., 380 F.3d 219 (5th Cir. 2004) 31

Batesville Services, Inc. v. Funeral Depot, Inc., No. 1:02-cv-01011, 2004 U.S. Dist. LEXIS 24336 (S.D. Ind. Nov. 10, 2004) 41

Bowles v. Russell, 551 U.S. 205 (2007) 13, 16, 23, 26, 63

Brooks-Ngwenya v. Indianapolis Public Schools, 564 F.3d 804 (7th Cir. 2009) 41

Derminer v. Kramer, 386 F. Supp. 2d 905 (E.D. Mich. 2005) 40

Dielsi v. Falk, 916 F. Supp. 985 (C.D. Cal. 1996) 39

Dodd v. Fort Smith Special School District No. 100, 666 F. Supp. 1278 (W.D. Ark. 1987) 40

Empire Health Choice Assurance, Inc. v. McVeigh, 547 U.S. 677 (2006) 15

TABLE OF AUTHORITIES – Continued

Page

Exxon Mobil Corp. v. Allapattah Services, Inc., 545 U.S. 546 (2005) 68

Frederick Fell Publishers, Inc. v. Lorayne, 422 F. Supp. 808 (S.D.N.Y. 1976) 33

Goffe v. Winfrey, No. 08 Civ. 8653, 2008 WL 4787515 (S.D.N.Y. Oct. 31, 2008) 40

Goffe v. Winfrey, Civ. Action No. 09-1438, 2009 U.S. Dist. LEXIS 66863 (D.D.C. July 31, 2009) 40, 41

G.P. Putnam's Sons v. Lancer Books, Inc., 251 F. Supp. 210 (S.D.N.Y. 1966) 33

Greenberg v. National Geographic Society, 533 F.3d 1244 (11th Cir.), *cert. denied*, 129 S. Ct. 727 (2008) 7

International Trade Management, Inc. v. United States, 553 F. Supp. 402 (Cl. Ct. 1982) 36, 37

Jennette v. United States, 77 Fed. Cl. 132 (2007) 39

John R. Sand & Gravel Co. v. United States, 128 S. Ct. 750 (2008) 13, 16, 44

Kettenburg v. University of Louisville, No. CIVA 3:05CV384 R, 2005 WL 4444100 (W.D. Ky. Nov. 7, 2005) 40, 51

Kontrick v. Ryan, 540 U.S. 443 (2004) 15, 22, 26

La Resolana Architects, PA v. Clay Realtors Angel Fire, 416 F.3d 1195 (10th Cir. 2005) 39

Lennon v. Seaman, 84 F. Supp. 2d 522 (S.D.N.Y. 2000) 52

TABLE OF AUTHORITIES – Continued

Page

Lucky Break Wishbone Corp. v. Sears, Roebuck & Co., No. C06-312Z, 2007 WL 4561124 (W.D. Wash. Dec. 18, 2007) 40

Lumiere v. Pathé Exchange, Inc., 275 F. 428 (2d Cir. 1921) 19, 21, 33

Marshall & Swift v. BS & A Software, 871 F. Supp. 952 (W.D. Mich. 1994) 40

Matsushita Electric Industrial Co. v. Epstein, 516 U.S. 367 (1996) 66, 67

Mays & Associates, Inc. v. Euler, 370 F. Supp. 2d 362 (D. Md. 2005) 39

Morris v. Business Concepts, Inc., 259 F.3d 65 (2d Cir. 2001), *modified*, 283 F.3d 502 (2d Cir. 2002) 38

Morris v. Khadr, 415 F. Supp. 2d 1323 (D. Utah 2006) 24

New Hampshire v. Maine, 532 U.S. 742 (2001) 58

New York Times Co. v. Star Co., 195 F. 110 (C.C.S.D.N.Y. 1912) 19, 21, 31, 33, 39

New York Times Co. v. Sun Printing & Publishing Ass'n, 204 F. 586 (2d Cir. 1913) 19

New York Times Co. v. Tasini, 533 U.S. 483 (2001) 3, 4, 5

Nova Design Build, Inc. v. Grace Hotels, LLC, No. 08 C 2855, 2008 WL 4450305 (N.D. Ill. Sept. 30, 2008) 41

TABLE OF AUTHORITIES – Continued

Page

Ogindo v. DeFleur, No. 07-CV-1332, 2008 WL 5105153 (N.D.N.Y. Oct. 16, 2008) 40

Olan Mills, Inc. v. Linn Photo Co., 23 F.3d 1345 (8th Cir. 1994) 67

Pillsbury Co. v. Milky Way Productions, 215 U.S.P.Q. 124 (N.D. Ga. 1981) 35, 36

Proulx v. Hennepin Technical Centers District No. 287, Civ. No. 4-79-637, 1981 U.S. Dist. LEXIS 17634 (Dec. 7, 1981) (magistrate recommendation), *enforced*, 1981 U.S. Dist. LEXIS 17575 (D. Minn. Dec. 30, 1981) 36

Roth Greeting Cards v. United Card Co., 429 F.2d 1106 (9th Cir. 1970) 34

Rudolph Lesch Fine Arts v. Metal, 51 F. Supp. 69 (S.D.N.Y. 1942) 33

Silber v. United States, 370 U.S. 717 (1962) 57

Steel Co. v. Citizens for a Better Environment, 523 U.S. 83 (1998) 14

Torres-Negrón v. J&N Records, LLC, 504 F.3d 151 (1st Cir. 2007) 39

United Mine Workers v. Gibbs, 383 U.S. 715 (1966) 66

United States ex rel. Eisenstein v. City of New York, 129 S. Ct. 2230 (2009) 23

U.S. Catholic Conference v. Abortion Rights Mobilization, Inc., 487 U.S. 72 (1988) 15

TABLE OF AUTHORITIES – Continued

Page

Vacheron & Constantin-Le Coultre Watches, Inc. v. Benrus Watch Co., 260 F.2d 637 (2d Cir. 1958) 20

Washingtonian Publishing Co. v. Pearson, 306 U.S. 30 (1939) 32, 33

Weitzman v. Microcomputer Resources, Inc., 542 F.3d 859 (11th Cir. 2008) 40, 41

Wheaton v. Peters, 33 U.S. 591 (1834) 29

CONSTITUTIONAL PROVISIONS

U.S. Const. art. I, § 8 27

STATUTES

17 U.S.C. § 101 2

17 U.S.C. § 102 49

17 U.S.C. § 201(c) 3, 7

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17 U.S.C. § 411(a) ..... *passim*

17 U.S.C. § 508(a) 13, 18, 24, 25, 26

18 U.S.C. § 2336(a) 24

28 U.S.C. § 1254(1) 1

28 U.S.C. § 1291 1

TABLE OF AUTHORITIES – Continued

Page

28 U.S.C. § 1331 ..... 1, 24

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RULES

D. Mass. R. Appendix C 25

E.D. Tex. R. CV-4(a) 25

W.D. Wash. Civ. R. 3(a) 25

LEGISLATIVE MATERIALS

H.R. Rep. No. 60-2222 (1909) 30

H.R. Rep. No. 94-1476 (1976) 20, 25, 35

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TABLE OF AUTHORITIES – Continued

Page

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TABLE OF AUTHORITIES – Continued

Page

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1 William F. Patry, Patry on Copyright (2009).....28

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TABLE OF AUTHORITIES – Continued

Page

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INTEREST OF AMICUS CURIAE

This Court invited Deborah Jones Merritt to brief and argue the case as amicus curiae in support of the judgment below. 129 S. Ct. 1693 (Apr. 2, 2009). This brief responds to that invitation.[1]

JURISDICTION

The district court had jurisdiction under 28 U.S.C. § 1331, 28 U.S.C. § 1338, and 17 U.S.C. § 411(a) to adjudicate copyright infringement claims based on (1) registered U.S. works; (2) U.S. works denied registration; and (3) works first published in foreign countries participating in the Berne Convention. The district court lacked jurisdiction over other infringement claims asserted by the class representatives.

28 U.S.C. § 1291 conferred jurisdiction on the court of appeals, and 28 U.S.C. § 1254(1) confers jurisdiction on this Court.

STATEMENT OF THE CASE

This case is about boundaries: the borders that protect intellectual property; the limits of class-action

[1] No counsel for a party authored any portion of this brief. The Ohio State University Moritz College of Law provided incidental financial support for preparing the brief.

representation; and, most important, the lines that mark the subject-matter jurisdiction of the lower federal courts.

1. During the 1980s, the database defendants (petitioners here) began marketing electronic versions of newspaper, magazine, and journal articles. The defendants purchased articles from periodical publishers, assembled the articles into electronic files, and sold access to libraries and other consumers. A group of freelance writers complained that these commercial databases overstepped the bounds of copyright law: The authors protested that neither the publishers nor database defendants obtained the writers' consent for the new uses of their works.

In 2000-01, two dozen writers filed the class actions yielding this consolidated suit. The class action plaintiffs, who appear here as the Pogrebin-respondents, described themselves as "published, professional authors who created literary works . . . for which the copyrights have been registered under United States law." JA 82.[2] Their consolidated complaint repeatedly referred to registered copyrights, JA 81, 82, 85-86, 93-94, and attached a 66-page chart

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[2] A few of the plaintiffs alleged that they wrote works that were "protected by copyright in a nation of origin that is party to a copyright treaty to which the United States is a signatory." *Id.* These foreign works support infringement suits without registration. 17 U.S.C. § 411(a). The bulk of the claims at issue in this case, however, rests on U.S. works as defined by 17 U.S.C. § 101.

listing registration numbers for the plaintiffs' works. JA 105.

Despite their distinct status as professional freelancers holding registered copyrights, the plaintiffs defined their class very broadly. They sought to represent "all persons who own a copyright in a literary work created and first published on or after January 1, 1978 and electronically reproduced, displayed, sold, and/or distributed by one or more of defendants . . . without the owners' permission on or after August 15, 1997." JA 94. This class included tens of thousands of writers who had never registered any copyrights.

2. The United States District Court for the Southern District of New York stayed the class action while this Court considered *New York Times Co. v. Tasini*, 533 U.S. 483 (2001). The *Tasini* decision confirmed the validity of the writers' core claim. Databases like the ones contested here, the Court ruled, are not revisions of collective works privileged by 17 U.S.C. § 201(c). The database defendants' reproduction of freelance works, therefore, required the freelancers' consent.

Tasini was not a class action, and the Court nowhere suggested that publishers and databases could remedy their ongoing infringements through a "court-enforceable global settlement." Pet. Br. 2. Indeed, as the petitioners observed in February 2002, "virtually no precedent for copyright infringement class actions" existed when *Tasini* was decided. App.

49a.[3] The Court, therefore, could not have "expressly contemplated" a class-action resolution of the defendants' infringements. Pet. Br. 2.

Instead, *Tasini* noted numerous options for retaining freelance works in electronic databases. The publishing industry, the Court observed, could negotiate electronic access to copyrighted works through individual "agreement[s] allowing continued electronic reproduction of the Authors' works." 533 U.S. at 505. The Court also highlighted the usefulness of copyright registries and licensing schemes "for distributing copyrighted works and remunerating authors." *Id.*

3. By the time the Court issued *Tasini*, publishers had already altered their contracts to accommodate electronic databases. During the mid 1990s, publishers began requiring all freelancers to assign electronic reproduction rights. App. 41a. According to the publishers, these changes greatly reduced potential infringement claims. By November 2001, for example, the *New York Daily News* possessed "secure electronic rights" for more than 99% of the articles it had posted in LexisNexis. App. 43a. Since many of the defendants' electronic files focus on post-1990 articles, and few date back before 1980, these contractual changes narrowed the window of

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[3] For the Court's convenience, this brief's appendix reproduces excerpts from the parties' lower-court submissions. These documents are cited as "App. ___."

potential *Tasini* claims. *See, e.g.*, App. 7a-8a (Declaration of Robin Bierstedt, Deputy General Counsel of Time, Inc.).

The publishers, however, refused to seek licenses for the works falling within this window. Although these media companies regularly purchased freelance articles to enrich their publications, they kept few records of their content suppliers. Time, Inc., the nation's largest magazine publisher, told the district court that it maintained no "internal database or other electronic or paper list of freelance writers" for any of its widely distributed magazines. *Id.* at 7a. The companies kept so few records of their content suppliers that Time's Deputy General Counsel advised the district court that the company could not "distinguish a pizza deliverer from a freelance writer." *Id.* Because of these gaps in their own records, the publishers concluded that it would be an "insuperable task" to identify freelance authors and negotiate the licenses required by copyright law. Pet. Br. 4.

The publishers and database defendants also rejected copyright registries as a tool for reimbursing freelance writers. By 2001, the companies involved in this litigation relied heavily on registries to collect royalties on their own copyrighted material. The Copyright Clearance Center has gathered royalties since 1978 from universities, libraries, laboratories, and other organizations that reproduce copyrighted work. During the last fifteen years alone, CCC has channeled to publishers more than one billion dollars

of copyright fees from college students purchasing course packs, teachers creating electronic reserves, and other sources. Judith Rosen, *Copyright Clearance Center Piles Up the Numbers,* Publishers Weekly, May 18, 2009, at 11. As Elsevier Science and other publishers successfully argued in 1992, CCC's registry offers such a "convenient, reasonable licensing system" that it trumps fair-use defenses to infringement. *American Geophysical Union v. Texaco, Inc.*, 802 F. Supp. 1, 25 (S.D.N.Y. 1992), *aff'd,* 60 F.3d 913 (2d Cir. 1994).

Rather than adopt any of these remedies, the publishers and database defendants pursued years of "often heated" mediation with the class-action repre-entatives. Pet. App. 7a.[4] While the parties attempted to resolve their dispute, the defendants dropped the contested articles from their databases. These removals had little impact. By 2001, consumers had little interest in freelance articles written between 1980 and 1995, and scholars had turned to other sources.[5] The databases maintained the same

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[4] Most of the publishers were not formal parties to the class action, but they participated in the mediation as members of an expanded "defense group." For the remainder of this brief, references to the "defendants" or "defense group" include both publishers and database companies.

[5] Scholars now rely upon a wide range of resources that reproduce original sources in their entirety. Users can page through these sources as they would hard copy; they can also conduct full-text searches. For examples of these sources, see HeinOnline, http://heinonline.org/ (last visited Aug. 11, 2009) (law-related books and periodicals); Chronicling America,

(Continued on following page)

subscription fees, despite the deleted content, and subscribers did not complain. App. 41a-42a, 44a (Defendants' Joint Memorandum).

4. At the very start of mediation, more than seven years ago, the defendants asserted an impassable bar to litigating most of the class-action claims: Citing "[e]xtensive authority," they advised the mediator that Section 411(a) imposes a jurisdictional limit that "precludes the certification of any class respecting works in which copyright has not been registered." *Id.* at 47a. This jurisdictional line, the defendants asserted, "could hardly be clearer." *Id.*

The defendants pressed the same jurisdictional boundary in discussions with the plaintiffs; they "made these arguments directly to class counsel, repeatedly, in every mediation session over three years." App. 23a (Defense Group's Response in the District Court); *see also* App. 37a (Declaration of Charles S. Sims). As the defendants later explained to the Second Circuit, this jurisdictional representation "was intended to, and did, play a key role in tempering plaintiffs' expectations." App. 56a (Second Circuit Brief for Defendants-Appellees).

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http://chroniclingamerica.loc.gov/ (last visited Aug. 11, 2009) (Library of Congress database of historic newspapers). *Cf. Greenberg v. National Geographic Society*, 533 F.3d 1244 (11th Cir.) (en banc) (17 U.S.C. § 201(c) privileges reproductions of this type), *cert. denied*, 129 S. Ct. 727 (2008).

5. After negotiating under these constraints, the parties finally struck a deal. Their proposed settlement closely tracks the jurisdictional line urged by the defendants: The agreement includes both registered and unregistered works, but distinguishes sharply between them. Works registered before stipulated dates generate substantial payments as "Category A" or "Category B" claims. Unregistered works earn very low "Category C" payments.

The plaintiffs presented the settlement to the district court, urging that it represented "an exceptional result for the Class" precisely because of Section 411(a)'s barrier. App. 1a. "Generally," the plaintiffs explained, "registration is a requirement for standing to bring infringement actions under the Copyright Act." *Id.* at 1a-2a (citing 17 U.S.C. § 411). "[I]f forced to litigate the infringement claims in this proceeding," plaintiffs continued, "absent class members could be found to lack standing and, as a result, would be unable to receive any legal redress for the copyright infringement on which these actions are based." *Id.* at 2a.

6. Several class members, including a professor emeritus of Harvard Business School and a distinguished physicist, objected to the settlement. The objectors raised two principal concerns: (a) The settlement treated unregistered claimants unfairly, and (b) those claimants, who comprised most of the class, lacked an adequate representative.

To parry these objections, both the plaintiffs and defendants appealed to Section 411(a). The plaintiffs once again justified low payments for unregistered works by noting that those authors "lacked standing to bring an infringement action," App. 14a, and "would have no available avenue for relief in the courts." *Id.* at 20a. The plaintiffs also derided the objectors as "outlandish" for suggesting that a separate representative should have advocated for the unregistered authors. *Id.* at 19a. A separate representative was impossible, the plaintiffs scolded, because "no author *without* a registered work could have sued. *See* 17 U.S.C. § 411(a)." *Id.* (emphasis original).

The defendants even more aggressively trumpeted Section 411(a)'s jurisdictional bar to justify the settlement to the district court. "Because the Copyright Act confers jurisdiction only for claims concerning registered works and precludes any infringement action for an unregistered work," the defendants reminded the court, "the Court would lack subject matter jurisdiction over any person whose 'claims' all involve unregistered works." App. 26a (citing § 411(a)). The settlement's "adequacy, fairness, and reasonableness," they stressed, all rested on the fact that "a huge proportion of the claims were for works in which copyright had never been registered, and which were not, therefore, within the court's subject matter jurisdiction." *Id.* at 23a.

While boosting Section 411(a)'s jurisdictional barrier to defend the settlement, the parties buried

any concerns that the provision might limit the court's authority to enforce the agreement. Plaintiffs did not address the issue directly, although they observed in a different context that courts sometimes release "claims that could never have been sued upon." App. 17a n.10. The defendants relegated the jurisdictional conundrum to a footnote, equating Section 411(a)'s jurisdictional bar with non-jurisdictional issues that complicate litigation of class action claims. App. 24a-25a n.1. Quoting this Court's decision in *Amchem Products, Inc. v. Windsor*, 521 U.S. 591, 620 (1997), the defendants maintained that "when a class is certified for settlement purposes only, . . . 'a district court need not inquire whether the case, if tried, would present intractable management problems.'" *Id.*

The district court adopted the parties' proposed final order, approving the settlement without commenting on the jurisdictional issues. The court's final order broadly "reserves jurisdiction over the subject matter," requiring the court to resolve ongoing disputes over enforcement of this wide-ranging, hotly contested settlement. JA 156.

7. The objectors appealed, pressing their challenges to the low payments for unregistered works and the lack of representation for those authors. The plaintiffs and defendants responded once again by championing Section 411(a)'s jurisdictional bar. "[T]he Copyright Act confers jurisdiction over suits for infringement of United States works only if those works are registered," the defendants

declared to the Second Circuit. App. 61a. Under Section 411(a), they advised the court of appeals, "the district court would have lacked subject matter jurisdiction over any complaint for infringement of articles in U.S. newspapers and periodicals filed by a person whose 'claims' all involved unregistered works." *Id.*

The plaintiffs concurred: "Unregistered works," they counseled the Second Circuit, "arguably would not even confer standing to bring a lawsuit at all." App. 69a. Defending the settlement's fairness, the plaintiffs reminded the court that: "The vast majority of works at issue were never registered with the U.S. Copyright Office, and thus the authors of those works arguably lacked standing to sue for copyright infringement." *Id.* at 68a.

After reading these representations, which invoked jurisdictional defects to justify the settlement's process and outcome, the Second Circuit ordered the parties to submit letter briefs further addressing the jurisdictional issues they had raised. Pet. App. 46a. Informed by those letters, the initial briefs, and the parties' oral argument, the Second Circuit endorsed the jurisdictional boundary that the defendants had pressed throughout five years of mediation and trial court proceedings: Congress limited the federal courts' subject-matter jurisdiction in Section 411(a) of the Copyright Act. The majority, however, rejected the parties' claim that the district court possessed power to settle controversies falling outside its subject-matter jurisdiction. The court

vacated the district court's decision and remanded for proceedings consistent with its opinion. Pet. App. 28a.

Judge Walker dissented from the court's jurisdictional ruling, but signaled a different flaw in the settlement. Judge Walker warned that the parties' "failure to create a sub-class consisting of those members holding primarily [unregistered] claims, and separate representation for those members," was "a serious problem" on the merits. *Id.* at 45a n.5 (Walker, J., dissenting). Thus, while the majority concluded that the parties exceeded the bounds of subject-matter jurisdiction, Judge Walker perceived that they likely transgressed the limits of class-action representation.

8. This Court granted certiorari, limiting review to whether Section 411(a) restricts subject-matter jurisdiction over copyright infringement actions. Abandoning their positions in the lower courts, the petitioners and Pogrebin-respondents now deny Section 411(a)'s jurisdictionality; the objectors (Muchnick-respondents) endorse that new position. Because all parties urge reversal of the Second Circuit's decision, the Court invited this amicus to brief and argue the case in support of the judgment below.

SUMMARY OF ARGUMENT

I. Congress drew an emphatic jurisdictional line in Section 411(a) of the Copyright Act. 17 U.S.C.

§ 411(a). The provision refers explicitly to "jurisdiction," and it precisely defines the copyright infringement claims subject to federal adjudication. A companion section of the Act supports this limit by directing the district court's attention to the jurisdictional fact of registration "[w]ithin one month after the filing" of any infringement ~~action~~. *Id.* § 508(a).

For a full century, Congress, the courts, and copyright experts have viewed Section 411(a)'s registration requirement as an unwaivable constraint on federal jurisdiction. Overturning that "century's worth of precedent," *Bowles v. Russell*, 551 U.S. 205, 209 n.2 (2007), would defy congressional intent and undermine a complex statutory scheme.

Repudiating Section 411(a)'s jurisdictional status, moreover, would defeat "system-related goal[s]," *John R. Sand & Gravel Co. v. United States*, 128 S. Ct. 750, 753 (2008), at the heart of copyright law. Congress designed Section 411(a)'s jurisdictional bar to further free trade in copyrighted works; shield the courts from ill-defined infringement claims; protect defendants from frivolous suits penalizing expression; and maintain the world's largest library.

Congress did not trust any of these public goals to the caprice of private litigants. It imposed an unwaivable mandate requiring authors of United States works to register their copyrights publicly before invoking federal judicial power to enforce their claims. Disregarding the boundary marked by

Congress would propel the Court "beyond the bounds of authorized judicial action" and upset "fundamental principles of separation of powers." *Steel Co. v. Citizens for a Better Environment*, 523 U.S. 83, 94 (1998).

II. Even if the Court interprets Section 411(a) as a waivable condition, the petitioners and Pogrebin-respondents cannot purport to waive that mandate now. Those parties relied explicitly on Section 411(a)'s jurisdictional limits to justify their settlement before the lower courts. The settlement's compensation schedule and procedural fairness both rest on Section 411(a)'s strict mandate. The parties cannot re-bake the cake they have already eaten.

III. The parties' remaining arguments fall outside the Court's limited grant of certiorari. None of them, moreover, remedy the jurisdictional flaw in this settlement. The parties confuse claims with controversies, and private releases with class action judgments. The federal courts lack power to extinguish controversies falling outside their subject-matter jurisdiction. The Second Circuit properly concluded that the district court lacked jurisdiction to enforce a settlement that the parties themselves knew exceeded the boundaries laid by Congress.

ARGUMENT

I. Section 411(a) Limits the Federal Courts' Subject-Matter Jurisdiction

Within broad constitutional constraints, Congress chooses the "classes of cases" appropriate for federal adjudication. *Kontrick v. Ryan*, 540 U.S. 443, 455 (2004). Once Congress has spoken, the federal courts "have no warrant to expand Congress' jurisdictional grant 'by judicial decree.'" *Empire Health Choice Assurance, Inc. v. McVeigh*, 547 U.S. 677, 696 (2006). Nor can litigants extend federal jurisdiction by commanding courts to decide controversies.

The Constitution trusts courts to enforce the jurisdictional lines that Congress draws. By defending those boundaries, the courts preserve the balance of powers and build respect for their authority. The United States courts have earned worldwide esteem because they vigilantly uphold "the central principle of a free society that courts have finite bounds of authority." *U.S. Catholic Conference v. Abortion Rights Mobilization, Inc.*, 487 U.S. 72, 77 (1988).

This Court has developed three inquiries that help detect jurisdictional lines drawn by Congress. *First*, the Court examines the statutory language. Textual signs of a jurisdictional boundary include a statute that "speak[s] in jurisdictional terms," *Arbaugh v. Y & H Corp.*, 546 U.S. 500, 514 (2006) (internal citation omitted); language defining discrete "classes of cases" for adjudication, *Kontrick*, 540 U.S.

at 455; and indications that the trial courts should determine threshold facts "on their own motion." *Arbaugh*, 546 U.S. at 501.

Second, the Court weighs the history of the rule's application. If the courts have consistently construed a statutory limit as jurisdictional and Congress has not disturbed that interpretation, the Court is more likely to regard the boundary as settled. *Bowles v. Russell*, 551 U.S. 205, 206, 209-10 (2007); *John R. Sand & Gravel Co. v. United States*, 128 S. Ct. 750, 756-57 (2008).

Finally, the Court inquires whether the boundary-setting language attempts to "achieve a broader system-related goal" rather than "case-specific interest[s]." *John R. Sand*, 128 S. Ct. at 753. Congress does not place systemic goals solely in the hands of litigants; it uses jurisdictional lines to assure that judges enforce those goals.

This nuanced jurisprudence belies the petitioners' attempt to condense the Court's jurisdictional rulings to a solitary "bright line." Pet. Br. 18-23. Determinations of federal court power depend upon more than a single query.[6] All of the factors outlined above

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[6] In *Arbaugh*, the Court proposed a "bright line" to distinguish congressional restraints on subject-matter jurisdiction from "essential ingredients of a federal claim for relief." 546 U.S. at 516, 503. But the *Arbaugh* line incorporates the Court's other inquiries; *Arbaugh* asks whether Congress "rank[ed] a statutory limitation on coverage as jurisdictional," *id.* at 516, not merely whether Congress used the word "jurisdiction."

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demonstrate that Congress drew an indelible jurisdictional line in Section 411(a) of the Copyright Act.

A. The Plain Language of Section 411(a) Restricts Subject-Matter Jurisdiction

At the start of mediation, the petitioners claimed that Section 411(a)'s "language could hardly be clearer." App. 47a (Defendants' Joint Memorandum). They were correct: Congress's language forcefully commands that "no civil action for infringement of the copyright in any United States work shall be instituted until preregistration or registration of the copyright claim has been made in accordance with this title." 17 U.S.C. § 411(a). These words, as petitioners themselves argued in both lower courts, mean that Section 411(a) "confers jurisdiction only for claims concerning registered works and precludes any infringement action for an unregistered work." App. 26a (Defense Group's Response in the District Court); *see also* App. 61a (Second Circuit Brief for Defendants-Appellees).

Section 411(a) carries all of the statutory-language indicia that the Court has used to identify a

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Arbaugh's streamlined inquiry is most useful when courts must distinguish claim elements from jurisdictional limits. Here, all parties agree that registration is not an element of copyright; the question is whether an admitted prerequisite to judicial enforcement is an unwaivable jurisdictional constraint or a less restrictive, waivable limit.

jurisdictional constraint. Congress included an explicit reference to "jurisdiction" in Section 411(a), underscoring the provision's jurisdictional nature. The section also distinguishes carefully between the "classes of cases" suitable for federal adjudication and those that are not. Finally, a companion provision of the Copyright Act directs the district court to ascertain registration "[w]ithin one month after the filing" of an infringement action. 17 U.S.C. § 508(a).

1. *Section 411(a) Expressly Refers to "Jurisdiction."* Section 411(a) explicitly uses the word "jurisdiction" to describe the section's scope, declaring: "[T]he Register's failure to become a party shall not deprive the court of jurisdiction." The parties want the Court to ignore this key word, scoffing that it appears in Section 411(a)'s "last sentence." Pet. Br. 19; Pogrebin-Resp. Br. 12 n.9. But Section 411(a) is a concise provision of 166 words. Congress's use of the word "jurisdiction" in that terse statutory section offers powerful evidence that Congress understood registration as a jurisdictional requirement. The judicial precedents prompting inclusion of this word "jurisdiction" further confirm Congress's intent.

As all parties recognize, Section 411(a) derives from the 1909 Copyright Act. That Act barred suits for copyright infringement of unregistered works, using language very similar to today's statute: "No action or proceeding shall be maintained for infringement of copyright in any work until the provisions of

this Act with respect to the deposit of copies and registration of such work shall have been complied with." Pub. L. No. 60-349, § 12, 35 Stat. 1075, 1078 (1909).

The federal courts understood that this language limited their subject-matter jurisdiction. "A prohibition so broad as this," Judge Lacombe wrote just three years after the statute's enactment, "goes to the jurisdiction of the courts to entertain such action or proceedings." *New York Times Co. v. Star Co.*, 195 F. 110, 112 (C.C.S.D.N.Y. 1912). Congress, he noted, "had full power to restrict in any way it chose the maintaining of [copyright infringement] actions." *Id.* The plaintiff in *Star* had not satisfied the conditions mandated by Congress, so "the court could not have jurisdiction." *Id.*

The Second Circuit approved Judge Lacombe's interpretation the following year. *New York Times Co. v. Sun Printing & Publishing Ass'n*, 204 F. 586, 588 (2d Cir. 1913) ("The questions involved are carefully discussed by Judge Lacombe in *New York Times v. Star Co.* and we agree with what is there said . . . .") (citation omitted). And in 1921, the court of appeals acknowledged the absolute, unwaivable nature of the 1909 registration requirement. Affirming District Judge Learned Hand's dismissal of a copyright claim for lack of proper registration, the court of appeals declared: "The parties cannot by agreement, expressed or implied, alter the statute" requiring registration. *Lumiere v. Pathé Exchange, Inc.*, 275 F. 428, 430 (2d Cir. 1921).

These rulings, which recognized the registration and deposit requirements as a complete bar to adjudication, culminated with the Second Circuit's decision in *Vacheron & Constantin-Le Coultre Watches, Inc. v. Benrus Watch Co.*, 260 F.2d 637, 640-41 (2d Cir. 1958). *Vacheron* construed the 1909 Act to bar infringement suits by claimants who had applied for copyright registration but had been denied that registration. The result followed logically from the statute's language: Unsuccessful applicants had not secured registration so they were ineligible to maintain suits for copyright infringement. But the ruling burdened these claimants unduly by requiring them to sue the Register for mandamus before pursuing an infringement claim.

When Congress recast the copyright laws in 1976, it preserved the 1909 Act's strict registration requirement. Courts had construed that mandate as jurisdictional and unwaivable for more than sixty years, and Congress did nothing to disturb that understanding. On the contrary, Congress patterned Section 411(a)'s language on the older statute, declaring that 411(a) "restates the present statutory requirement that registration must be made before a suit for copyright infringement is instituted." H.R. Rep. No. 94-1476, at 157 (1976).

At the same time, Congress decided to relieve the burden that the 1909 Act had imposed on unsuccessful registration applicants. To alter the outcome of *Vacheron*, Congress added two new sentences to Section 411(a). These sentences (1) authorize claimants

who have been denied registration to file infringement claims, and (2) allow the Register to join the action to contest registrability. The two sentences conclude by specifying that the Register's failure to join the action does not "deprive the court of jurisdiction" to determine registrability. 17 U.S.C. § 411(a).

Congress's choice of the word "jurisdiction" for this final phrase of Section 411(a) confirms that Congress viewed the *whole* provision as jurisdictional. Congress added a new phrase to Section 411(a) in the wake of judicial decisions construing the section's predecessor as a limit on "the jurisdiction of the courts" that "the parties cannot by agreement, expressed or implied, alter." *Star Co.*, 195 F. at 112; *Lumiere,* 275 F. at 430. Intending to maintain that requirement, with a minor adjustment for unsuccessful registration applicants, Congress naturally chose the word "jurisdiction" to describe the modification.

If Congress believed that Section 411(a) created a waivable condition, as the parties argue, it would have concluded Section 411(a) with the words: "but the Register's appearance is not a condition of the court determining registrability." Instead, by adding the word "jurisdiction" to a terse statutory section that courts had already construed as jurisdictional, Congress confirmed that section's jurisdictional reach.

2. *Section 411(a) Creates Classes of Cases.* In addition to using the word "jurisdiction," Congress structured Section 411(a) to "delineat[e] the classes of

cases" appropriate for federal adjudication. *Kontrick*, 540 U.S. at 455. The first sentence of Section 411(a) crisply divides civil copyright infringement claims into two categories: (1) claims based on a "United States work" that has not completed Copyright Office review, and (2) all other claims. Creations in the first category fall outside the court's jurisdiction; those in the second category lie within.

Congress specified these jurisdictional distinctions with care. Section 411(a) enforces a simple, but critical, bargain between Congress and authors who claim their work's initial copyright under United States law: Those authors may use United States courts to enforce their claims only if they first comply with the United States registration system.

The "exceptions" noted by the parties merely elaborate this principle. Congress, for example, concluded that registration of domestic works is more necessary than tracking foreign material; it accommodated the international Berne Convention by excluding foreign works from Section 411(a) in 1988. *See* Point I.B.5 *infra*. Similarly, Congress determined that the policies supporting Section 411(a)'s jurisdictional bar do not limit criminal prosecutions. *Id.* And, as explained above, Congress designed a special litigation path for works that have been denied registration; that mechanism promotes judicial efficiency while preserving the underlying jurisdictional bargain.

Congress frequently calibrates jurisdictional statutes this way. Before 1980, for example, Congress enacted dozens of exceptions to the amount-in-controversy requirement that once restricted federal-question jurisdiction. *See* Charles Alan Wright, Handbook of the Law of Federal Courts § 32 (3d ed. 1976). More recently, Congress adopted a potpourri of complex rules governing diversity jurisdiction in interstate class actions. 28 U.S.C. § 1332(d). These exceptions did not destroy either statute's jurisdictional nature; on the contrary, they demonstrate Congress's care when setting jurisdictional limits. Section 411(a), similarly, draws precise lines that reveal Congress's attentiveness to jurisdictional boundaries.

Section 411(a), finally, falls comfortably within a group of statutes that tie jurisdiction to the parties' actions. Courts don't create lawsuits, litigants do. As a result, some jurisdictional statutes define jurisdiction by referring to the parties' conduct. The Code of Judicial Procedure, for example, limits federal appellate jurisdiction by providing: "no appeal shall bring any judgment, order or decree in an action, suit or proceeding of a civil nature before a court of appeals for review unless notice of appeal is filed, within thirty days after the entry of such judgment, order or decree." 28 U.S.C. § 2107(a). This Court has repeatedly recognized that language, centered on a party's action, as jurisdictional. *United States ex rel. Eisenstein v. City of New York*, 129 S. Ct. 2230 (2009); *Bowles*, 551 U.S. at 214. Section 411(a), analogously, defines jurisdiction by declaring that "no civil action

. . . shall be instituted until" after registration. This phrase succinctly conveys the jurisdictional boundary that Congress intended.[7]

3. *The Copyright Act Directs Courts To Assure That the Registration Requirement Is Met.* A statutory provision that directs courts "on their own motion, to assure that [a threshold] requirement is met" offers particularly strong evidence of a jurisdictional limit. *Arbaugh*, 546 U.S. at 514. Section 508 of the Copyright Act does just that: It instructs district courts "[w]ithin one month after the filing of any action under this title," to "send written notification to the Register of Copyrights setting forth . . . the names and addresses of the parties and the title, author, and *registration number* of each work involved in the

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[7] The parties' proposed rule, that jurisdictional statutes must address courts directly, could upset a wide range of statutory schemes. The Anti-Terrorism Act, for example, withdraws the courts' jurisdiction to compensate terrorism victims when their injuries stem from an act of war. Congress established that essential boundary with the simple words: "No action shall be maintained . . . for injury or loss by reason of an act of war." 18 U.S.C. § 2336(a). Although those words focus on the parties' conduct, Congress undoubtedly intended courts to enforce this constraint rigorously and *sua sponte*. Otherwise, the litigation strategies of private litigants could escalate wartime hostilities. *Cf. Morris v. Khadr*, 415 F. Supp. 2d 1323 (D. Utah 2006) (examining act-of-war limit on jurisdiction *sua sponte*).

Notably, the jurisdictional limit on terrorism-related claims fails to reference Congress's grant of federal question jurisdiction in 28 U.S.C. § 1331. Courts, however, have readily construed the provision as a jurisdictional limit. *E.g., Morris*, 415 F. Supp. at 1330-34.

action." 17 U.S.C. § 508(a) (emphasis added). District courts must update these notices by advising the Register of any new works – and their registration numbers – added to the action. *Id.* The courts use Form AO 121, reproduced as Appendix B, to transmit this information to the Copyright Office.

Section 508 serves two related purposes. First, the section "establish[es] a method for notifying the Copyright Office and the public of the filing and disposition of copyright cases." H.R. Rep. No. 94-1476, at 164 (1976). Just as local courthouses record claims related to real property, the Copyright Register notes litigation affecting copyrights. Second, the section confirms Congress's intent to limit infringement suits to claims based on registered works. By requiring courts to transmit registration numbers promptly to the Copyright Office, Section 508 assures attention to Section 411(a)'s jurisdictional limit.

Some courts have incorporated Section 508 into their local rules, requiring copyright plaintiffs to complete Form AO 121. *See* E.D. Tex. R. CV-4(a); W.D. Wash. Civ. R. 3(a). Other courts include a similar direction on the civil cover sheet completed by all plaintiffs. *See, e.g.,* D. Mass. R. Appendix C. These processes, implementing Section 508's notification requirement, allow courts to identify jurisdictionally deficient infringement claims at the outset of

litigation.[8] The provision thus supports the jurisdictional scheme Congress enacted in Section 411(a): Infringement claimants must complete Copyright Office examination before proceeding to court.

B. Courts, Legislators, and Scholars Have Consistently Construed Section 411(a) as Jurisdictional

Precedent carries special weight when interpreting a congressional check on the courts' own power. If the courts have long recognized a boundary as jurisdictional, and if Congress has never disturbed that understanding, then Congress should initiate any change in the settled view. Under these circumstances, deference to established practice honors the principle that "[o]nly Congress may determine a lower federal court's subject-matter jurisdiction." *Kontrick*, 540 U.S. at 452.

In this case, denying 411(a)'s jurisdictional status would "require the repudiation of a century's worth of precedent and practice in American courts." *Bowles*, 551 U.S. at 209 n.2. Since 1909, judges, legislators, and copyright experts have consistently construed Section 411(a) and its predecessor as jurisdictional. Congress, moreover, has repeatedly

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[8] As with other jurisdictional limits, the courts may accept the plaintiff's unchallenged allegations. Section 508(a) directs the court to transmit registration numbers and other information "as far as is shown by the papers filed in the court."

acceded to that unbroken history. During the last twenty-one years alone, Congress revisited Section 411(a) five times. None of those deliberations overturned – or even questioned – the courts' ongoing construction of Section 411(a) as jurisdictional. On the contrary, Congress has modified Section 411(a) in ways that confirm its jurisdictional character.

1. *The 1790 Copyright Bargain.* Section 411(a)'s registration requirement stems from a key bargain underlying U.S. copyright law. Our copyright system rewards the creation of original works to "promote the progress of science and useful arts." U.S. Const. art. I, § 8. Fulfillment of this constitutional goal requires public identification of copyright holders. If consumers cannot identify a work's owner, they cannot obtain permission to reproduce and disseminate the work. Under those circumstances, copyright inhibits free trade in artistic, literary, and scientific ideas.

To address this problem, the first Congress created the copyright registration system that endures today. The registry allows members of the public to identify copyright holders, purchase licenses, and distribute the copyrighted works. Federal copyright law promotes free trade in intellectual property by exacting a price for federal copyright protection: Congress allows authors to enforce their rights in court only if they are willing to advance the public good by registering their copyrights.

The 1790 Copyright Act captured this bargain in the statutory language itself: "[N]o person shall be *entitled to the benefit* of this act . . . *unless* he shall before publication deposit a printed copy of the [work] in the clerk's office. . . . And the clerk . . . is hereby directed and required to record the same forthwith." Copyright Act of 1790, § 3, 1 Stat. 124, 125 (1790) (emphasis added).[9] The nineteenth-century courts viewed these registration and deposit requirements as absolute prerequisites to federal copyright. Unless an author complied meticulously with these conditions, no federal copyright existed and the author had no claim to enforce. The courts did not adjudicate infringement claims based on the federal Copyright Act unless the author proved both deposit and registration.

Courts monitored these conditions with special strictness, because Congress exercised limited power during the nineteenth century. Authors during that era could still claim common-law copyrights under state law, and courts guarded state power jealously. The federal courts, therefore, demanded punctilious compliance with the conditions set by Congress. No court allowed a litigant to waive the registration and deposit elements; nor did any commentator suggest

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[9] The 1790 Act required authors to register their copyrights with local district courts. *See* 1 William F. Patry, Patry on Copyright § 1:19 (2009). Congress centralized registration in the Library of Congress in 1870, *id.* § 1:33, and authorized a Register of Copyrights in 1897. *Id.* § 1:41.

that these elements were optional. *See* 5 William F. Patry, Patry on Copyright § 17:64, at 17-194 (2009).

The Supreme Court confirmed this view in *Wheaton v. Peters*, 33 U.S. 591 (1834). Registration and deposit, the Court concluded, "form a part of the [federal copyright] title, and until they are performed, the title is not perfect." *Id.* at 665. The Court rejected analogies to "[t]he rule by which conditions precedent and subsequent are construed, in a grant." *Id.* Instead, "every requisite, in both acts [of Congress establishing copyright], is essential to the title." *Id.* Plaintiff Wheaton thus could claim a federal copyright only if he had satisfied all of Congress's registration and deposit requirements. If any gap existed in that chain, then Wheaton's only claim rested on state common law. And without diversity of citizenship, which Wheaton's suit lacked, the federal court lacked jurisdiction to hear the state claim.

As petitioners note, the Court remanded Wheaton's federal copyright claim for a jury to determine whether Wheaton had complied with Congress's deposit requirements. *Id.* at 667. Jury determination was proper because deposit and registration were still – in 1834 – essential to establish the plaintiff's claim. The key point, however, is that Congress and the Court viewed these elements as imperative. *Wheaton* does not suggest that any party could waive an opponent's failure to register or that a court could ignore this defect; nor does any other case suggest that possibility. Before 1909, Congress and the courts viewed registration as an absolute,

unwaivable prerequisite for establishing a property right enforceable under federal law.

2. *The 1909 Copyright Act.* As the nation's creative output increased, Congress recognized a flaw in its copyright system: Since registration and deposit were essential to create copyright, and since federal law required authors to complete those acts within prescribed time periods, authors could irretrievably forfeit valuable rights through minor missteps. Congress observed that "[t]he failure of a shipping clerk to see that the copies go promptly forward to Washington may destroy a copyright of great value, and many copyrights have been lost because by some accident or mistake this requirement was not complied with." H.R. Rep. No. 60-2222, at 11 (1909).

Congress's solution was to change deposit and registration from claim elements to jurisdictional prerequisites. Congress still vigorously supported the public purposes of registration, and it wanted to maintain the fundamental copyright bargain: Copyright holders could not enforce their claims in court unless they provided the public benefits of registration and deposit. But by making the latter requirements jurisdictional, Congress allowed copyright holders to satisfy these conditions any time before filing suit; authors would not lose all rights through minor lapses.[10]

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[10] Contrary to the parties' claims, conditions that can be satisfied any time before suit characterize many jurisdictional

(Continued on following page)

The 1909 Act thus continued the steadfast line that Congress and the courts had drawn for more than a century: Parties could sue for infringement of a federal copyright only after registering and depositing their works. Congress preserved this statutory boundary by declaring simply: "No action or proceeding shall be maintained for infringement of copyright in any work until the provisions of this Act with respect to the deposit of copies and registration of such work shall have been complied with." § 12, 35 Stat. at 1078.

As discussed above, judges quickly recognized the jurisdictional nature of this language. In 1912, a leading trial judge acknowledged that the prohibition against any "action or proceedings" without registration "goes to the jurisdiction of the courts." *Star Co.*, 195 F. at 112; Point I.A.1 *supra*. By 1917, the point was so well established that *Corpus Juris* concluded: "[R]egistration and deposit of copies is a condition precedent to any right of action for infringement. This requirement is jurisdictional." 13

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limits. Diversity of citizenship, for example, usually depends on the parties' citizenship when the complaint is filed – not when the cause of action arose. Erwin Chemerinsky, Federal Jurisdiction § 5.3, at 301 (4th ed. 2003). Conditions affecting a claim element, on the other hand, typically depend on facts at the time the claim arose. The employee numerosity requirement disputed in *Arbaugh*, for example, depended on the employer's size at the time of the alleged discrimination. *Arbaugh v. Y & H Corp.*, 380 F.3d 219, 222, 225 (5th Cir. 2004), *rev'd*, 546 U.S. 500 (2006).

Corpus Juris *Copyright and Literary Property* § 380, at 1191 (1917).

Copyright experts sounded the same theme. Herbert Howell's treatise warned copyright holders of registration's "utmost importance" and described cases in which "the court refused to entertain jurisdiction in the absence of a certificate of registration of the published work." Herbert A. Howell, The Copyright Law 82, 84 (1942). Howell's index, similarly, showed a heading for "Jurisdiction of Courts in Copyright Causes" with the subheading "deposit and registration necessary to confer." *Id.* at 274. Horace Ball's treatise agreed that the 1909 Act's prohibition against maintaining a suit based on unregistered works "goes to the jurisdiction of the court and clearly bars the plaintiff . . . from procuring any relief." Horace G. Ball, Law of Copyright and Literary Property 190 (1944).

In *Washingtonian Publishing Co. v. Pearson*, 306 U.S. 30 (1939), this Court affirmed the uniform view that registration and deposit were essential to support a federal action for infringement under the 1909 Act. The defendant in *Pearson* argued that another sentence in the Act, which required copyright claimants to deposit their works "promptly" after publication, modified the "no action" language that courts had interpreted as jurisdictional. The Court refused to elevate the word "promptly" to jurisdictional status, but confirmed the consistent understanding of lower courts and commentators that "no action can be maintained before copies are actually

deposited." *Id.* at 42. Notably, the Court concluded its *Pearson* opinion by observing that its result was "in accord with . . . the conclusions reached in *Lumiere v. Pathé Exchange.*" *Id. Lumiere* was the widely cited opinion in which the Second Circuit held that "[t]he parties cannot by agreement, expressed or implied, alter" the requirement of registration as a condition of federal adjudication. 275 F. at 430; Point I.A.1 *supra.*

After *Pearson*, courts continued to dismiss infringement claims for lack of jurisdiction when the plaintiff had failed to register. In 1942, for example, Judge Rifkind dismissed a claim "for lack of jurisdiction" because the plaintiff had neglected to register the work. *Rudolph Lesch Fine Arts v. Metal*, 51 F. Supp. 69, 71 (S.D.N.Y. 1942). A judicial colleague reached the same result in 1966, citing well-established precedent that "[t]he proscription against the maintenance of actions [without registration] 'goes to the jurisdiction of the courts to entertain such action or proceedings.'" *G.P. Putnam's Sons v. Lancer Books, Inc.*, 251 F. Supp. 210, 214 (S.D.N.Y. 1966) (quoting *Star Co.*, 195 F. at 112). And in *Frederick Fell Publishers, Inc. v. Lorayne*, the court required the plaintiff to plead registration, even though the defendant had registered the work before licensing it to the plaintiff. 422 F. Supp. 808, 811 (S.D.N.Y. 1976). Although pleading registration would be "a mere technicality under the circumstances," the court concluded, "such recitation is jurisdictionally required." *Id.*

Perhaps most notable, the district court ruling reviewed in *Roth Greeting Cards v. United Card Co.*, 429 F.2d 1106, 1108 (9th Cir. 1970), rebuffed an infringement claim for both "lack of jurisdiction and lack of . . . copyrightable material" *after* trial. Although the court had devoted substantial resources to the trial, it found that the plaintiff had failed to complete registration before filing its complaint. *Id.* The Ninth Circuit disagreed with the trial court's conclusion on the facts, but the appellate court agreed that registration was a jurisdictional requirement; it addressed that jurisdictional issue before reviewing the district court's alternative dismissal on the merits of copyrightability. *Id.* at 1108-09.

From 1909 through 1976, therefore, courts consistently recognized registration as a jurisdictional prerequisite for any infringement claim based on federal law. Melville Nimmer summarized this jurisprudence in 1976 by stressing that registration was an *unwaivable* element of any infringement claim founded on federal law: "Failure to offer a registration certificate in an infringement action is clearly fatal to the plaintiff's claim. . . . Moreover, the parties do not have the power to vary by agreement the requirement of a registration certificate as a condition precedent to maintaining an action or proceeding." 1 Melville B. Nimmer, Nimmer on Copyright § 92.1, at 345-46 (1976). The petitioners quote the first part of this statement, Pet. Br. 30, but omit the final sentence. That sentence flatly contradicts the petitioners' assertion that courts, commentators,

and members of Congress believed in 1976 that the registration requirement was waivable.

3. *The 1976 Copyright Act.* Congress drafted the 1976 Copyright Act against the backdrop outlined above: Courts had consistently construed the 1909 Act's registration requirement as jurisdictional; no court had ever allowed a litigant to waive registration; and experts uniformly recognized registration as an unwaivable condition of federal adjudication. The registration requirement had served the public purposes of copyright law for almost two centuries.

In light of this history, the Copyright Office recommended that Congress preserve registration as an unwaivable prerequisite for infringement suits. Congress readily agreed. Section 411(a) "restates the [1909] statutory requirement that registration must be made before a suit for copyright infringement is instituted." H.R. Rep. 94-1476, at 157 (1976). That statutory requirement, as the experts who drafted the 1976 Act well knew, had been repeatedly construed as jurisdictional.

Courts immediately recognized that Section 411(a) continued registration as an unwaivable, jurisdictional requirement. In one of the earliest cases decided under the 1976 Act, the defendant questioned the plaintiff's registration after trial. The court unhesitatingly addressed this challenge to its subject-matter jurisdiction. "That an infringement suit may not be instituted until the plaintiff registers its copyright," the court declared, "is axiomatic." *Pillsbury*

Co. v. Milky Way Productions, 215 U.S.P.Q. 124, 127 (N.D. Ga. 1981). The court cited both 411(a) and its 1909 predecessor for this proposition, acknowledging the statutory continuity. *Id.* Only after finding that the plaintiff had properly registered its work did the court conclude that it had "subject matter jurisdiction over the plaintiff's claim." *Id.* at 128.

In two other early cases, the Department of Justice asserted the jurisdictionality of Section 411(a), and courts readily endorsed that view. In *Proulx v. Hennepin Technical Centers District No. 287*, the plaintiff served the Copyright Register with a copy of his infringement complaint, and the Department of Justice moved on behalf of the Register to dismiss the entire action for lack of subject-matter jurisdiction. Civ. No. 4-79-637, 1981 U.S. Dist. LEXIS 17634, at *2, *9 (Dec. 7, 1981) (magistrate recommendation), *enforced*, 1981 U.S. Dist. LEXIS 17575 (D. Minn. Dec. 30, 1981). The court enforced the magistrate's conclusion that: "It is settled that the requirements of § 411 are jurisdictional and unless these prerequisites have been met a federal court cannot hear a copyright infringement claim." *Id.* at *10.

Similarly, in *International Trade Management, Inc. v. United States*, the Department of Justice moved to dismiss a copyright infringement action filed against the Small Business Administration. 553 F. Supp. 402 (Cl. Ct. 1982). The plaintiffs in *International Trade* had applied to register their copyright, but their application was still pending. The Claims

Court granted the government's motion to dismiss, noting both the clarity of Section 411(a) and its continuity with earlier law. *Id.* at 403 ("the language is clear"). Chief Judge Kozinski recognized the possible inefficiency of this result, because the plaintiffs could refile their claim after registering, but concluded: "Considerations of judicial economy . . . carry little weight where jurisdiction is in issue. The court cannot assert jurisdiction over a matter simply because it considers Congress' decision to withhold jurisdiction to be unwise or uneconomical." *Id.*

Immediately after enactment of the 1976 Copyright Act, therefore, the Copyright Office, Department of Justice, and federal courts unreservedly viewed Section 411(a) as an absolute jurisdictional limit. Copyright experts expressed the same understanding. In 1977, the *UCLA Law Review* gathered the nation's experts to preview the new Copyright Act. The professionals who assessed Section 408 (governing registration) and Section 411(a) noted: "Upon complying with these formalities and satisfying the Copyright Office that the work is copyrightable subject matter, the applicant is entitled to assert the jurisdiction of the federal courts to enforce a copyright." Arthur J. Levine & Jeffrey L. Squires, *Notice, Deposit and Registration: The Importance of Being Formal*, 24 UCLA L. Rev. 1232, 1261 (1977). Moreover, these authors concluded, "the effect of section 411 of the Act is unequivocal: An author cannot bring suit against an infringer until he has registered copyright . . . ." *Id.* at 1262.

4. *Ongoing Judicial Interpretation of Section 411(a).* Since Section 411(a) took effect on January 1, 1978, scores of judicial opinions have explicitly construed the provision as jurisdictional. Those opinions span every federal circuit and include rulings by most courts of appeals. Appendix C demonstrates this remarkable consistency by listing more than 200 opinions in which federal judges have expressly recognized Section 411(a) as jurisdictional.

The petitioners and Pogrebin-respondents display surprising disdain for the judges who wrote these opinions, denigrating their work as "drive-by jurisdictional rulings" that lack "rigor." Pet. Br. 3, 17, 40; Pogrebin-Resp. Br. 15. These parties particularly disparage the reasoning of Second Circuit Judges Straub and Winter, who issued the opinion below. Petitioners claim that the analysis of these distinguished judges "resembles Gertrude Stein's Oakland: There's no there there." Pet. Br. 41. But the petitioners themselves told the Second Circuit that "the Copyright Act confers jurisdiction over suits for infringement of United States works only if those works are registered," App. 61a, and they cited the same precedent that Judges Straub and Winter invoked in their opinion. *Compare id.* (citing *Morris v. Business Concepts, Inc.*, 259 F.3d 65 (2d Cir. 2001), *modified*, 283 F.3d 502 (2d Cir. 2002)) *with* Pet. App. 12a (same).

The petitioners' mockery is a smokescreen. As the parties know from their lower-court representations, the federal courts have developed an extensive,

careful jurisprudence detailing Section 411(a)'s jurisdictional constraints. Courts have probed Section 411(a)'s plain language, legislative purpose, and history for more than a quarter century. The courts have also relied upon an unbroken line of precedent, stretching back to Judge Lacombe's 1912 recognition that Section 411(a)'s predecessor spoke "to the jurisdiction of the courts." *Star Co.*, 195 F. at 112. Hundreds of federal judges have parked on Section 411(a) and visited at length; they have hardly "driven by."[11]

Furthermore, at least nine different courts have dismissed copyright infringement claims *sua sponte* for failure to comply with Section 411(a)'s registration requirement. In *Jennette v. United States*, for example, the Court of Federal Claims concluded that it was "unnecessary to await a response from defendant United States" because "[t]he provisions of 17 U.S.C. § 411(a) are jurisdictional" and the plaintiff had "proffered no evidence of copyright registration nor the denial of copyright registration." 77 Fed. Cl. 132, 133, 137 (2007). The court dismissed the complaint for lack of subject-matter jurisdiction, saving the government the burden of responding.

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[11] For just a few examples of recent opinions that extensively explore the jurisdictional bounds of Section 411(a), see *Torres-Negrón v. J&N Records, LLC*, 504 F.3d 151, 156-65 (1st Cir. 2007); *La Resolana Architects, PA v. Clay Realtors Angel Fire*, 416 F.3d 1195, 1198-1208 (10th Cir. 2005); *Mays & Associates, Inc. v. Euler*, 370 F. Supp. 2d 362, 365-71 (D. Md. 2005); *Dielsi v. Falk*, 916 F. Supp. 985, 993-95 (C.D. Cal. 1996).

Similarly, in *Derminer v. Kramer*, the district judge observed that "[a]lthough the parties do not raise the subject matter jurisdiction issues directly, I have a responsibility to do so." 386 F. Supp. 2d 905, 909 (E.D. Mich. 2005). The court then discussed at length its obligation to resolve subject matter jurisdiction before standing, *id.* at 909 & n.7; the proper role of affidavits to evaluate disputed jurisdictional facts, *id.* at 910; and whether a registration application suffices to confer jurisdiction under Section 411(a), *id.* at 910-11. The *Derminer* court, therefore, both noted the plaintiff's lack of registration on its own motion and wrestled with three separate facets of that jurisdictional problem before concluding that Section 411(a) "explicitly limited" the court's "subject matter jurisdiction over copyright infringement claims." *Id.* at 910.[12]

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[12] For additional examples of *sua sponte* rulings based on Section 411(a), see *Goffe v. Winfrey*, Civ. Action No. 09-1438, 2009 U.S. Dist. LEXIS 66863 (D.D.C. July 31, 2009); *Goffe v. Winfrey*, No. 08 Civ. 8653, 2008 WL 4787515 (S.D.N.Y. Oct. 31, 2008); *Ogindo v. DeFleur*, No. 07-CV-1332, 2008 WL 5105153 (N.D.N.Y. Oct. 16, 2008); *Lucky Break Wishbone Corp. v. Sears, Roebuck & Co.*, No. C06-312Z, 2007 WL 4561124 (W.D. Wash. Dec. 18, 2007); *Kettenburg v. University of Louisville*, No. CIVA 3:05CV384R, 2005 WL 4444100 (W.D. Ky. Nov. 7, 2005); *Marshall & Swift v. BS & A Software*, 871 F. Supp. 952, 958 (W.D. Mich. 1994); *Dodd v. Fort Smith Special School District No. 100*, 666 F. Supp. 1278, 1282 (W.D. Ark. 1987).

As the petitioners note, the Eleventh Circuit has also invoked 411(a) *sua sponte* to vacate a declaratory judgment involving ownership of an unregistered work. *Weitzman v. Microcomputer Resources, Inc.*, 542 F.3d 859 (11th Cir. 2008).

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Among the hundreds of federal opinions discussing Section 411(a), only two unpublished district court opinions directly suggest that the section lacks jurisdictional force.[13] Neither has influenced other courts. The Seventh Circuit recently reserved judgment on the jurisdictionality of Section 411(a) in dictum, noting this Court's grant of certiorari on the issue. *Brooks-Ngwenya v. Indianapolis Public Schools*, 564 F.3d 804, 806 (7th Cir. 2009) (per curiam).[14] But other courts have continued to enforce the section's jurisdictional constraints, including a recent decision that spared Oprah Winfrey harassment by dismissing an infringement claim *sua sponte* for lack of registration. *Goffe v. Winfrey*, Civ. Action No. 09-1438, 2009 U.S. Dist. LEXIS 66863 (D.D.C. July 31, 2009).

The parties do not cite a single case – from the entire 219-year span of copyright law – in which a court has allowed litigants to waive the registration requirement. The parties' plea for waiver, spun from

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The court erroneously applied 411(a) in that case, because the jurisdictional limit applies only to infringement actions – not to declarations of ownership. 5 Patry § 17:49.50. Enforcing Section 411(a)'s jurisdictional constraint in infringement suits need not produce the "unpalatable result" in *Weitzman*. Pet. Br. 43.

[13] *Nova Design Build, Inc. v. Grace Hotels, LLC*, No. 08 C 2855, 2008 WL 4450305 (N.D. Ill. Sept. 30, 2008); *Batesville Services, Inc. v. Funeral Depot, Inc.*, No. 1:02-cv-01011, 2004 U.S. Dist. LEXIS 24336 (S.D. Ind. Nov. 10, 2004).

[14] The court in *Brooks-Ngwenya* suggested that a minor aspect of 411(a), notification of the Register, is not jurisdictional – although even that point proved "academic" in the case before it. 564 F.3d at 808.

illusory threads, would unwind more than two centuries of judicial precedent.

5. *Recent Congressional Action.* In the face of myriad judicial opinions construing Section 411(a) as jurisdictional, Congress has remained silent: It has never challenged the courts' consistent application of this unwaivable barrier. Congress, moreover, has revisited Section 411(a) at least five times since 1976 without disputing the provision's jurisdictional character. On the contrary, Congress's actions have repeatedly confirmed that it intended Section 411(a) to constrain the federal courts' jurisdiction over copyright infringement claims.

In 1988, while fitting domestic copyright law to the international Berne Convention, Congress addressed Section 411(a) at length. The Senate worried that applying Section 411(a) to foreign works would violate the Convention; in response, Congress excepted those works from the registration requirement. Berne Convention Implementation Act of 1988, Pub. L. No. 100-568, 102 Stat. 2853. Tellingly, however, no participant in this extensive debate questioned 411(a)'s absolute, unwaivable nature. Congress resoundingly reaffirmed its commitment to Section 411(a)'s jurisdictional limit for domestic works: It maintained that restriction without noting any disagreement with the courts' ongoing construction of the section as jurisdictional.

Congress revisited Section 411(a) in 1990 when it recognized new rights of attribution and integrity for

visual artists. Congress permitted those artists to enforce these new rights without registering their works. Visual Artists Rights Act of 1990, Pub. L. No. 101-650, § 606(c), 104 Stat. 5089, 5131. Once again, however, Congress maintained Section 411(a)'s jurisdictional restriction for infringement suits.

In 1993, Congress fielded a direct assault on Section 411(a)'s registration requirement. Both the House and Senate held hearings on bills to repeal Section 411(a), with proponents vigorously pushing to expand federal court access for copyright plaintiffs. *See* 5 Patry § 17.80 (summary by then-counsel to the House Judiciary Committee). The sharp attacks highlighted the strict boundary that courts continued to enforce. But Congress again adhered to the jurisdictional lines it had drawn in 1976.

In 2005, Congress created an avenue for commercial publishers to preregister works with a "history of infringement prior to authorized commercial distribution." 17 U.S.C. § 408(f)(2). This addition to the Copyright Act, as the United States acknowledges, "demonstrate[s] the high priority that Congress placed on registration." U.S. Br. 22 n.12. Rather than abolish the jurisdictional requirement of registration, which had impeded one category of claims, Congress remedied the narrow problem. Preregistration, moreover, does not excuse registration; claimants must still register these works within three months after publication. 17 U.S.C. § 408(f)(3).

In 2008, finally, Congress amended Section 411(a) to clarify that the provision limits jurisdiction only in civil, not criminal, cases. Prioritizing Resources and Organization for Intellectual Property Act of 2008, Pub. L. No. 110-403, § 102, 122 Stat. 4257. The House Report on this legislation referred explicitly to "the jurisdictional . . . provisions of [section] 411." H.R. Rep. No. 110-617, at 39 (2008).[15] Equally significant, Congress's consideration of the 2008 amendment occurred entirely after the Second Circuit issued its highly publicized decision in this lawsuit. If Congress disagreed with the Second Circuit's prominent ruling – or with the hundreds of other federal decisions treating Section 411(a) as jurisdictional – it would have modified Section 411(a)'s application to civil suits as well as criminal ones. Instead, Congress once again protected the jurisdictional limit it has imposed on civil infringement actions since at least 1909.

C. Section 411(a) Furthers Vital Public Purposes

Section 411(a), like other jurisdictional lines, advances "broader system-related goal[s]" that Congress relies upon the courts to enforce. *See John R.*

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[15] The petitioners dismiss this Report as one related to a prior version of the bill. Pet. Br. 32 n.14. But the House's bill was identical to the Senate version on changes to Section 411(a), and only the House produced a Report. Both bills stemmed from the same legislation proposed by the Department of Justice.

Sand, 128 S. Ct. at 753. Section 411(a) promotes four distinct public ends: It (1) supports a national registration system that publicly identifies copyright holders; (2) shelters the federal courts from a deluge of minor infringement claims; (3) shields defendants from frivolous claims that curb expression; and (4) sustains the world's largest library. Allowing the parties to overstep Section 411(a)'s boundary would defeat these goals while defying Congress's authority to define subject-matter jurisdiction.

1. *Section 411(a) Supports a Public Record of Copyright Claims.* The copyright registry, which dates to 1790, furthers a central purpose of federal copyright law: promoting free trade in creative works by allowing consumers to identify copyright owners. The Register of Copyrights stressed this longstanding function during deliberations preceding the 1976 Copyright Act. "[I]t is often cumbersome," the Register noted, "for would-be users to seek out the copyright owner and get his permission." Report of the Register of Copyrights on the General Revision of the U.S. Copyright Law, 87th Cong., 1st Sess. 6 (H. Judiciary Comm. Print 1961). To address that problem, federal copyright law had long "imposed certain limitations and conditions on copyright protection," including "[t]he registration of copyrights." *Id.* As a result of this system, the Register advised Congress, "[t]he public is . . . given the means of determining the status and ownership of copyright claims." *Id.*

In 1976, Congress determined that it would no longer demand registration of every copyrighted work. It continued to further the free-trade goals of public registration, however, through Section 411(a). By demanding that copyright claimants register their works before suing for infringement, Congress guaranteed public access to information about contested works. A creative work that is significant enough to support a federal infringement claim, Congress concluded, is one that warrants public registration.

In 1988, Congress confirmed Section 411(a)'s significant role in preserving public access to copyright records. Although Congress accommodated the Berne Convention by withdrawing Section 411(a)'s jurisdictional requirement for many foreign works, it adamantly maintained Section 411(a)'s jurisdictional mandate for domestic works. That decision reflected the House's determination that "registration as a prerequisite to suit helps to ensure the existence of a central, public record of copyright claims. This publicly available depository of information is of benefit to both copyright owners and users." H.R. Rep. No. 100-609, at 42 (1988).

Private litigants cannot waive this public purpose. Before using judicial resources to enforce their copyrights, authors of U.S. works must register their works publicly. That requirement assumes particular importance in the current class action. The publishers here refused to seek licenses from individual freelancers because they considered it an

"insuperable task." Pet. Br. 4. Instead, they negotiated a class-action settlement that would confer court-ordered licenses on the defense group. JA 127-28, 140-41. If the settlement stands, the defendants will enjoy a perpetual right to use absent class members' works without ever identifying those authors.

Potential competitors, however, would not possess that right. Those competitors never contracted with the freelancers; they have less ability than members of the defense group to identify authors of the disputed works. If the task was "insuperable" for the defendants, it will be even more challenging for potential competitors. By enforcing a broad agreement that gives the defendants unlimited access to the unregistered works of absent class members, the district court would ratify a formidable barrier to entry in the field of electronic databases. That result is the antithesis of the free market in copyrighted works that Congress intended to further through Section 411(a)'s registration requirement: The settlement would privilege a few companies at the expense of the public registration system Congress designed.

2. *Section 411(a) Shields Federal Courts from Burdensome Litigation.* Section 411(a) serves a second public purpose by shielding the federal courts from a barrage of dubious copyright claims. The provision reserves judicial power for the most significant infringement cases, those based on works that have been publicly registered. The section also streamlines adjudication of these claims by requiring

authors to define their claims before presenting them in court.

These functions assumed critical importance in 1976, when Congress expanded federal copyright protection for unpublished works. Before then, federal copyright law protected primarily published material; most unpublished work depended on state common law for any copyright protection. The 1976 Copyright Act abolished this dual system by extending federal copyright law to all unpublished material. The unified system conferred numerous advantages, but it swept a vast number of new works under federal law.

Drafters of the 1976 Act recognized this shift. Sydney Kaye, the founder of Broadcast Music, Inc. (BMI), reminded an advisory panel that "we have to envision a world in which every scrap of paper, every fleeting mimeograph sheet, every interoffice memorandum, and every letter will be entitled to statutory copyright." Copyright Law Revision (Part 5): 1964 Revision Bill with Discussions and Comments 89th Cong., 1st Sess. 206 (H. Judiciary Comm. Print 1965). On the eve of the 1976 Act's implementation, Copyright Register Barbara Ringer acknowledged that "[t]he Copyright Office expects an influx of unpublished material" under the new provisions. Barbara Ringer, *First Thoughts on the Copyright Act of 1976*, 22 N.Y.L. Sch. L. Rev. 477, 492 (1977). That material would include "manuscripts of poems, articles, stories, novels, reports, monographs, advertising copy, song lyrics, tapes of unpublished sound

recordings, and masses of other unpredictable and virtually unclassifiable works that may be considered creative brain children by someone." *Id.*

Today, the maelstrom of unpublished works is wilder than Kaye or Ringer envisioned. New technologies have unleashed a torrent of material that elicits copyright protection. Every word processing file, every web page, every email, every blogger's post, and every cell phone snapshot may constitute an "original work[ ] of authorship fixed in any tangible medium of expression" that creates a federal copyright. 17 U.S.C. § 102. Each of these works, in turn, can spawn infringement claims.

Adjudicating copyright claims based on unregistered work imposes a particular burden on the courts. Although the Copyright Office conducts only limited assessment of registration applications, its review helps establish authorship, copyrightability, and the priority of competing claims. Equally important, the application process forces *claimants* to organize and define their works. Authors must describe the contours of their work and deposit a copy with the Register. Especially for unpublished material, this process helps narrow the scope of any infringement claim brought to court. Even if the Register denies registration, the application will mark the outer boundaries of a subsequent infringement claim.

Section 411(a) provides a levee against the rising river of inchoate copyright claims founded on unpublished work. Copyright registration is a simple task, but it deters casual litigants and winnows overly ambitious claims. Since 1976, Congress and other agencies have repeatedly stressed this public purpose of Section 411(a). During deliberations over the Berne Convention, for example, the Copyright Register advised that Section 411(a) "greatly ease[s] the strain on the courts by providing a reliable record and an initial screening process. . . . Indeed, after the Copyright Office makes its preliminary findings [on authorship, copyrightability, and priority of title], many potential court cases just disappear." Letter From Ralph Oman, Register of Copyrights, to L. Ralph Mecham, Director, Administrative Office of the United States Courts (June 4, 1987). Eliminating Section 411(a)'s registration requirement, the Register concluded, would "grievously compromise" the "speedy and inexpensive resolution of copyright litigation in the federal courts." *Id.*

Congress expressed similar concerns during the Berne Convention debates. "Copyright registration," the House Report noted, "promotes efficient litigation practices" because it "narrows the issues that must be litigated and . . . assists the courts in resolving the underlying copyright dispute." H.R. Rep. No. 100-609, at 41 (1988). "In a world without section 411(a)," the House concluded, "it is likely that a greater number of suits would be brought in Federal court." *Id.* at 42.

3. *The Registration Requirement Protects Defendants from Frivolous and Scattershot Claims.* Section 411(a) protects defendants, as well as courts, from oppressive infringement claims. Successful authors, musicians, and film studios regularly face copyright suits claiming infringement of an unknown plaintiff's work. Even when the complaint lacks any factual basis, the lawsuit can delay distribution of the defendant's work and stir unfavorable publicity. *See* H. Rep. No. 100-609, at 42 (1988).

Section 411(a)'s jurisdictional line plays two roles in protecting defendants from harassing lawsuits. *First,* the registration requirement allows courts to quickly dismiss many frivolous claims. In *Kettenburg v. University of Louisville,* for example, the plaintiff alleged that a television movie copied a short story that he had written for a freshman English class. No. CIVA 3:05CV384R, 2005 WL 4444100, at *1 (W.D. Ky. Nov. 7, 2005). The plaintiff sued the university for copyright infringement, claiming that the English Department "obviously submitted this story to someone in Hollywood and made a movie out of it without giving [him], the author, any credit." *Id.* The plaintiff had not registered his story and the court promptly dismissed his claim, saving the University the burden of even responding to the complaint. *See* Docket for *Kettenburg* (on PACER).

Threshold dismissals for lack of jurisdiction commonly are without prejudice, so disappointed plaintiffs like Kettenburg sometimes register their works and file new complaints. The passage of time

or Register's response, however, more often tempers the plaintiff's unrealistic notions. Section 411(a)'s registration requirement thus erects an important safeguard against frivolous claims.

Diluting that protection could encourage plaintiffs with the weakest copyright claims to file lawsuits without seeking registration. Those authors have an incentive to forego registration's other benefits, like statutory damages, and try their hand in court. A district judge, less expert in copyright law, may enforce a claim that the Register would have denied. As Congress has observed, "claimants who do not have a cognizable claim to copyrightability" may be most likely to avoid the Copyright Office and file civil complaints that allow them to "exploit discovery and other procedures . . . to extract settlements and cause financial harm." H. Rep. 100-609, at 42 (1988). Section 411(a) helps deter these vexatious strategies.

Second, Section 411(a) shields defendants from vague, scattershot complaints. By limiting infringement claims to registered works, Section 411(a) requires plaintiffs to specify each work that has been infringed. A plaintiff cannot simply allege that the defendant has infringed a mass of unregistered material. *See Lennon v. Seaman*, 84 F. Supp. 2d 522, 524 (S.D.N.Y. 2000) (dismissing claims for lack of subject-matter jurisdiction when the plaintiff alleged infringment of unregistered "photographs, videotapes, or depictions"). To prevent unbounded burdens on

expression, copyright plaintiffs must allege infringement of specific works that have been defined by registration.

Copyright expert Paul Goldstein recently underscored this distinctive aspect of copyright law. Section 411(a)'s predecessor, Goldstein notes, "did not permit fishing expeditions." Paul Goldstein, Copyright's Highway 71 (rev. ed. 2003). That section, like the current 411(a), confined copyright adjudication to claims based on enumerated, registered works. Thus, Goldstein explains:

> Unlike class action suits – in which a single purchaser injured by a defective product can sue the manufacturer on behalf of a vast, unnamed class of individuals who bought the same product – the Copyright Act require[s] the copyright owner to produce a copyright registration certificate for each and every work that he claim[s] was infringed. Without a registration certificate, the court would have no jurisdiction even to entertain the claim. *Id.*

Open-ended lawsuits against newspapers, libraries, orchestras, and broadcasters could hamstring those institutions. Congress helped avoid interference with creative expression by requiring copyright claimants to specify infringement of particular registered works.

The courts could not adequately protect defendants from either frivolous claims or scattershot complaints if Congress had drafted Section 411(a) as

the type of waivable requirement that the parties advocate. A waivable condition requires the defendant to answer the complaint and move to dismiss; otherwise the court will not know whether the defendant chooses to enforce the requirement. Responding to frivolous complaints imposes a heavy tax on expression. Congress prudently concluded that authors, publishers, and other potential defendants should not have to answer infringement claims that have not stood the test of registration.

4. *The Library of Congress Depends Upon Section 411(a).* The Library of Congress is the world's largest library, housing more than 142 million books, manuscripts, serials, recordings, photographs, maps, and pieces of sheet music. Library of Congress, *About the Library: Fascinating Facts,* http://www.loc.gov/about/facts.html (last visited Aug. 10, 2009). These deposits are far larger than any database maintained by the petitioners. The Library of Congress, for example, preserves the "world's most extensive newspaper collection," with papers dating from 1659 to the present. *Id.* These carefully preserved archives, not the petitioners' commercial databases, document our nation's history.

The Library of Congress, moreover, offers unparalleled public access to its resources. Any adult may use the Library's collection without charge, and internet users worldwide can freely search a growing collection of digitized databases. These searchable, historical records range from nineteenth-century

American song sheets to twenty-first century websites documenting the September 11 attacks. *See* Library of Congress, *American Memory,* http://memory.loc.gov/ammem/index.html (last visited Aug. 10, 2009); Library of Congress, *Web Archives: Minerva*, http://lcweb2.loc.gov/diglib/lcwa/html/lcwa-home.html (last visited Aug. 10, 2009). One of the Library's fastest growing online collections is a fully searchable electronic library of historic newspapers. That archive already contains one million pages and will expand to 20 million. Library of Congress, *News from the Library of Congress*, http://www.loc.gov/today/pr/2009/09-123.html (last visited Aug. 10, 2009).

As the United States recognizes in its amicus brief, Section 411(a) offers indispensable support to these public resources. U.S. Br. 4-5, 20, 22, 26. The Copyright Office annually forwards more than one million works, all drawn from registration applications, to the Library. Library of Congress, *Annual Report for the Fiscal Year Ending September 30, 2007*, at 25 (2008). Registration thus "contributes to the Library's role as keeper of a mint record of American creativity and helps sustain the comprehensiveness of the Library's collections." *Id.* at 23 (quoting Copyright Register Marybeth Peters).

Maintaining our nation's historical archive is a quintessentially public purpose. Private litigants cannot choose whether to waive this interest, just as they cannot decide to forego any of the other public goals discussed above. The defendants in this case are

particularly ill suited to defend Congress's goal of maintaining a comprehensive national archive freely accessible to the public. The database defendants are commercial entities that charge users for access to historical data; they have an economic interest in restricting free access to that information. Congress did not rely upon litigants with private concerns to assert the Library of Congress's interests.

Nor does this settlement fully protect the nation's archival interests. Although the parties' initial dispute centered on freelance articles written for periodicals that likely appear in the Library, their settlement reaches much more broadly. The proposed releases encompass every "English language literary work" that a member of the defense group used without an author's express permission between August 15, 1997, and March 31, 2005. JA 110-11. The record contains little information about this immense category of works; there is no way to ascertain what proportion of the unregistered material has been deposited in the Library. Congress did not entrust the Library's archives to the vagaries of far-reaching settlement agreements: It offered the resources of the federal courts only in return for registration of all works supporting infringement claims.

II. The Integrity of the Judicial Process Precludes the Parties from Waiving Section 411(a)

The parties claim that Section 411(a) is a mandatory provision that defendants control; they assert that the petitioners waived this registration requirement in the district court. The United States advocates a tauter construction of Section 411(a), awarding less power to copyright defendants. The government would enforce Section 411(a)'s mandate before final judgment, even if parties attempt to waive the provision. After final judgment, however, the United States would impose Section 411(a)'s mandatory bar only in unusual circumstances that "'seriously affect the fairness, integrity or public reputation of judicial proceedings.'" U.S. Br. 28 (quoting *Silber v. United States,* 370 U.S. 717, 717-18 (1962)).

Neither of these theories acknowledges the unwavering line that Congress drew in Section 411(a). Equally important, neither of these theories fits the facts of this case. The petitioners never waived Section 411(a): They used that jurisdictional hammer to forge an advantageous settlement. The petitioners and Pogrebin-respondents then relied explicitly on Section 411(a)'s jurisdictional line to defend their settlement in both the district court and the court of appeals. Allowing the parties to rewrite their litigation history would destroy the integrity of the judicial process.

This Court has estopped litigants from "playing fast and loose with the courts" by "deliberately changing positions according to the exigencies of the moment." *New Hampshire v. Maine*, 532 U.S. 742, 750 (2001) (internal quotations and citations omitted). This case presents a particularly compelling case for estoppel because the parties have not simply changed their positions: They are attempting, instead, to recast their conduct below. The record shows that the parties deliberately invoked Section 411(a)'s jurisdictional bar before both the district court and court of appeals; that jurisdictional argument formed an essential ingredient of the district court's settlement approval. No countervailing public interests justify the parties reconstructing that history now. *Cf. Maine*, 532 U.S. at 750-51 (non-exclusive list of factors that may influence application of judicial estoppel). Even if Section 411(a) lacks jurisdictional stature, therefore, the parties are bound by their exploitation of its strictures below.

A. The Parties Deliberately Invoked Section 411(a)'s Jurisdictional Bar

In February 2002, before any court or party had devoted substantial time to this case, the petitioners unequivocally advised the mediator that Section 411(a) imposed a jurisdictional bar that would "preclude[ ] the certification of any class respecting works in which copyright has not been registered." App. 47a (Defendants' Joint Memorandum). The petitioners cited "[e]xtensive authority" to substantiate

this point. *Id.* The petitioners then "repeatedly delivered" these arguments to the class representatives during their lengthy mediation. *Id.* at 37a (Declaration of Charles S. Sims). This was no bluster; as Appendix C documents, hundreds of decided cases supported the petitioners' invocation of Section 411(a) as a jurisdictional bar.

By pressing Section 411(a)'s impassable barrier, the petitioners achieved the result that this Court warned against in *Amchem Products, Inc. v. Windsor*, 521 U.S. 591 (1997). The class representatives were "disarmed" in mediation because they could not litigate the vast majority of class members' claims in court. *Id.* at 621. Indeed, the petitioners acknowledge that their assertion of Section 411(a)'s jurisdictional bar "was intended to, and did, play a key role in tempering plaintiffs' expectations." App. 56a (Second Circuit Brief for Defendants-Appellees).

The adversary system allowed the petitioners to throw Section 411(a)'s hardball: The publishers and database defendants correctly contended that a century of precedent precluded litigation of most class members' claims. Faced with that limit, the class representatives could have pared their lawsuit to claims based on registered works. The parties could also have negotiated private agreements governing unregistered works or created a copyright registry to benefit all freelance authors. Those solutions could have been adopted privately without seeking a judicial order that violated Section 411(a)'s mandate.

But the adversary system has bounds. The petitioners here insisted upon Section 411(a)'s unwaivable, jurisdictional barrier to drive a hard bargain, then purported to "waive" that bar to enforce the settlement against absent class members. Contrary to the petitioners' representations here, this settlement does not represent "private ordering," a "private agreement," or an attempt to "clarify their rights outside of court." Pet. Br. 3, 14, 39. The parties' class action settlement asks the district court to exercise a particularly potent form of judicial power: extinguishing legal claims held by absent class members. Concerns for the integrity of the judicial process counsel against enforcing a settlement negotiated under representations that the court lacked power to adjudicate most class members' claims.

The petitioners' and Pogrebin-respondents' reliance on Section 411(a)'s jurisdictional character, however, reached even further than this. When the objectors challenged the adequacy of class representation, noting that authors of primarily unregistered works lacked representation, both the petitioners and Pogrebin-respondents explicitly raised Section 411(a)'s rigorous bar. A challenge to representation was "outlandish," the Pogrebin-respondents complained, because "no author *without* a registered work could have sued. *See* 17 U.S.C. § 411(a)." App. 19a; *see also* Statement of the Case Point 6 *supra*. More generally, both of these parties asserted that the settlement's "adequacy, fairness, and reasonableness" all derived from the fact that "a huge proportion of

the claims were for works in which copyright had never been registered, and which were not, therefore, within the court's subject matter jurisdiction." App. 23a (Defense Group's Response in the District Court).

After invoking these arguments successfully in the district court, the parties repeated them in the court of appeals. Statement of the Case Point 7 *supra*. Those arguments, not any spontaneous discovery by the Second Circuit, prompted the appellate court's deeper examination of the petitioners' and Pogrebin-respondents' puzzling claim that they could judicially enforce a settlement structured on the district court's lack of jurisdiction.

B. Petitioners' Waiver Would Destroy Their Own Settlement

Allowing the petitioners to waive Section 411(a) would overturn a century of copyright law, but it is unlikely to preserve their settlement with the Pogrebin-respondents. Those parties structured both the substance and procedure of their settlement on the assumption that Section 411(a) absolutely bars infringement claims based on unregistered works. The settlement negotiations offered no subclass representation for authors of primarily unregistered works, and the agreement allocates scant compensation to those works. If the petitioners now waive Section 411(a)'s registration requirement, they fatally poison the procedural and substantive fairness of their settlement.

Judge Walker signaled this paradox in the final words of his Second Circuit dissent. The plaintiffs' failure to designate a separate representative for class members holding primarily unregistered works, Judge Walker noted, was a "serious problem." Pet. App. 45a n.5. The panel failed to reach this issue only because the majority enforced Section 411(a)'s jurisdictional bar and vacated the settlement on that ground. But if Section 411(a) is a provision that the petitioners can retroactively waive, then Judge Walker's concerns are difficult to assuage.

This Court has recognized the critical role of adequate representation in assuring the fairness of settlements, especially when a settlement attempts to impose "a global compromise" covering "diverse groups and individuals." *Amchem*, 521 U.S. at 627. Under those circumstances, class representatives who "act on behalf of a single giant class" do not provide "structural assurance of fair and adequate representation for the diverse groups and individuals affected." *Id.* at 626-27. The parties' assertions of Section 411(a)'s jurisdictionality were key to their defense of class representation. Without Section 411(a)'s jurisdictional peg, those justifications fall.

C. No Public Interest Justifies This Retroactive Waiver

The parties, as well as the amici supporting them, ask the Court to waive Section 411(a)'s

mandate to further three public interests: preservation of "the nation's archival databases," *e.g.*, Pogrebin-Resp. Br. 4; promotion of judicial economy, *e.g.*, Muchnick-Resp. Br. 33; and recognition of the "substantial time and resources" that the parties invested in their mediation. *E.g.*, U.S. Br. 30. All three of these public interest claims are illusory.[16]

First, none of the parties control our nation's historical archives. The database defendants market commercial products that reproduce some portions of periodicals published during recent decades. For many publications, coverage dates back no further than 1990; even before this litigation, moreover, the defendants omitted tables, photographs, and other significant elements from included works. Most important, the defendants have never promised to preserve their records as a historical resource – or even to restore the works disputed in this controversy. The parties' lengthy settlement, notably, does not require the defendants to restore or maintain any works within their databases. The defendants add and delete works from their products purely in response to market demand.

Second, approving this settlement will not promote judicial economy. On the contrary, the

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[16] If Section 411(a) is jurisdictional, these arguments are irrelevant: The courts cannot bend jurisdictional lines drawn by Congress. *Bowles*, 551 U.S. at 214-15. This section addresses the parties' claims that public interests support waiver of a "mandatory but not jurisdictional" registration requirement.

parties have fashioned a sprawling agreement that will demand ongoing judicial administration. The settlement agreement encompasses works drawn from at least 26,000 publications; the parties themselves often express confusion about the agreement's scope. The class definition, which rests on whether any member of the defense group previously used a writer's work "without the person's express authorization," JA 111, will generate ongoing, highly fact-specific disputes about which claims have been released; as the petitioners advised the mediator, the contested works involve "discrete contractual relations between thousands of individual authors and thousands of content providers with respect to tens of thousands of different articles." App. 40a. The parties saddled the district court with ongoing jurisdiction to resolve all disputes involving "interpretation, effectuation, and implementation of the Settlement Agreement." JA 156-57.

Conversely, the parties could quickly end this controversy by compensating the authors who have submitted claims and executing private releases with those writers. The parties could also ask the district court to enforce their settlement agreement with respect to registered works held by absent class members. As the petitioners have recognized throughout this litigation, few remaining authors will register their works, file independent lawsuits, and attempt to prove actual damages for the infringements claimed here. If individual authors do sue, the defendants can settle those claims quickly; small

claims by freelance writers will not burden the courts any more than the stream of lawsuits that media companies file against individual students who download music: The federal courts are always open to copyright plaintiffs who have registered their works.

Finally, the parties' lengthy, contentious negotiations do not justify waiving Section 411(a). This dispute has crowded the federal docket for nine long years partly because the parties refuse to acknowledge that the courts cannot extinguish claims stemming from controversies that fall outside their subject-matter jurisdiction. As Point III briefly explains, the parties have persistently confused claims with controversies. That mistake, combined with the parties' own vacillation on the jurisdictionality of Section 411(a), has prolonged this litigation unduly. Rewarding the parties' flip-flopping arguments will encourage similar litigation strategies in the future, without providing a secure basis for the settlement contested here.

III. Neither a Special Rule for Settlement Nor the Supplemental Jurisdiction Act Cures the Jurisdictional Defect

All three parties argue that, even if Section 411(a) limits jurisdiction, the district court may enforce a class action settlement that releases claims based on unregistered works. The petitioners and Pogrebin-respondents rest their contention on a

strained interpretation of Section 411(a)'s reference to "institut[ing]" lawsuits, and on a line of cases stemming from *Matsushita Electric Industrial Co. v. Epstein*, 516 U.S. 367 (1996). The Pogrebin-respondents and Muchnick-respondents advance a third argument based on the supplemental jurisdiction statute, 28 U.S.C. § 1367(a).

All three of these arguments fall outside the Court's limited grant of certiorari. Equally important, the arguments misconstrue the bounds of judicial power. In bending the words of Section 411(a) to suggest that courts may settle class actions they have not "adjudicated," Pet. Br. 47, the petitioners imply that class action settlements require no exercise of judicial authority. But as explained above, class action settlements depend upon courts to issue final judgments terminating the claims of absent class members. Those decrees bind class members as surely as a judgment entered after trial. Congress did not intend its ban on "institut[ing]" actions to give courts expansive authority to extinguish the very claims they could not try.

The parties' *Matsushita* argument fares no better; it mistakes claims for controversies. A controversy arises from "a common nucleus of operative fact." *United Mine Workers v. Gibbs*, 383 U.S. 715, 725 (1966). Once a court possesses jurisdiction over a controversy, it may enforce a class action settlement that releases all claims arising out of that controversy. In *Matsushita*, for example, a state court released federal securities claims stemming from a

disputed tender offer. This Court accorded full faith and credit to the state judgment, even though the state court could not have decided the federal claims. But in *Matsushita*, the tender offer constituted a "common nucleus of operative fact" embracing all of the shareholders' claims. The state court had jurisdiction to decide each class member's state-law claims deriving from that nucleus, so it could also release federal claims tied to the same controversy.[17]

The alleged infringements in this class action, however, do not constitute a single controversy. On the contrary, a dozen competing databases published hundreds of thousands of articles at different times and in varying contexts. The plaintiffs' infringement claims turn on the distinctive terms of contracts executed by "thousands of individual authors and thousands of independent content providers." App. 40a. Those claims raise similar legal issues and share some common facts, but they are not a single controversy. *Matsushita* offers no precedent for the wholesale release of claims deriving from the thousands of independent controversies in this class action.

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[17] The same principle explains why courts occasionally have power to enjoin infringements of unregistered works. If infringement of a plaintiff's registered and unregistered works constitutes a single controversy, the court has power to enjoin the entire wrong. A controversy of this nature may arise from an ongoing pattern of infringement by one defendant against a particular plaintiff. *See* Pet. App. 16a (citing *Olan Mills, Inc. v. Linn Photo Co.*, 23 F.3d 1345, 1349 (8th Cir. 1994)).

Similarly, Congress's grant of supplemental jurisdiction in 28 U.S.C. § 1367(a) encompasses only claims that "are so related to claims in the action within [the court's] original jurisdiction that they form part of the same case or controversy under Article III of the United States Constitution." That statute does not empower federal courts to assert jurisdiction over new controversies, even if those disputes share some factual and legal features with a controversy properly before the court.

The Court's decision in *Exxon Mobil Corp. v. Allapattah Services, Inc.*, 545 U.S. 546 (2005), confirms that supplemental jurisdiction applies only to "claims that are part of the same case or controversy." *Id.* at 552. In that case, a class of Exxon dealers "alleged an intentional and systematic scheme by Exxon," *id.* at 550, in which Exxon fraudulently concealed the same information from all of them. 333 F.3d 1248, 1252 (11th Cir. 2003), *aff'd*, 545 U.S. 546 (2005). Since the alleged misrepresentation was a single wrong directed at all dealers, it constituted a single controversy. *Allapattah* does not allow district courts to release class action claims that, like the ones in this action, stem from thousands of unrelated controversies falling outside the court's jurisdiction.

Congress constructed Section 411(a) as a firm jurisdictional barrier to the adjudication of unregistered copyright claims. The parties attempt to crash that gate by casting aside a century of judicial

precedent, disavowing their representations in the lower courts, and expanding the scope of judicial power. But Congress enacted Section 411(a)'s bar to further the public purposes of copyright law. Congress trusts the courts to honor that statutory bound.

CONCLUSION

The judgment of the court of appeals should be affirmed.

Respectfully submitted,

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APPENDICES

Page

Appendix A Excerpts From Lower-Court Briefs And Affidavits....1a

Appendix B Form AO 121 (6/90) (Used to Report Filing or Determination of an Action or Appeal Regarding a Copyright)....80a

Appendix C Federal Court Opinions Explicitly Referring to 17 U.S.C. § 411(a) as Jurisdictional 81a

Appendix A

Excerpts From Lower-Court Briefs And Affidavits

A-1 Memorandum of Law in Support of Plaintiffs' Motion for Preliminary Settlement Approval (S.D.N.Y. filed Mar. 31, 2005)....1a

A-2 Declaration of Robin Bierstedt in Support of Preliminary Approval of the Settlement (S.D.N.Y. filed Mar. 31, 2005)....4a

A-3 Memorandum of Law in Support of Plaintiffs' Motion for Final Settlement Approval (S.D.N.Y. filed Sept. 19, 2005)....11a

A-4 Defense Group's Response to Objections and Brief in Support of Final Approval (S.D.N.Y. filed Sept. 19, 2005)....22a

APPENDICES – Continued

Page

A-5 Declaration of Charles S. Sims (S.D.N.Y. filed Sept. 19, 2005) 30a

A-6 Defendants' Joint Memorandum in Connection with the Mediation in *In re Literary Works in Electronic Databases Copyright Litigation,* MDL No. 1379 (S.D.N.Y.) (submitted as "Exhibit A" to the Declaration of Charles S. Sims filed Sept. 19, 2005, in the district court) 39a

A-7 Corrected Brief for Defendants-Appellees in the United States Court of Appeals for the Second Circuit (filed July 7, 2006) 52a

A-8 Corrected Brief for Plaintiffs-Appellees in the United States Court of Appeals for the Second Circuit (filed July 10, 2006).....66a

A-9 Supplemental Letter Brief of Defendants-Appellees in the United States Court of Appeals for the Second Circuit (filed Feb. 12, 2007).....72a

A-10 Supplemental Letter Brief of Plaintiffs-Appellees in the United States Court of Appeals for the Second Circuit (filed Feb. 16, 2007).....74a

A-11 Defendants-Appellees' Petition for Panel Rehearing and Suggestion for Rehearing *In Banc* in the United States Court of Appeals for the Second Circuit (filed Jan. 4, 2008).....76a

APPENDIX A-1

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

IN RE LITERARY WORKS IN ELECTRONIC DATABASES COPYRIGHT LITIGATION	Master Docket No. M-21-90 (GBD) (MDL # 1379)

MEMORANDUM OF LAW IN SUPPORT OF PLAINTIFFS' MOTION FOR PRELIMINARY SETTLEMENT APPROVAL

(Filed Mar. 31, 2005)

* * *

IV. ARGUMENT

* * *

E. The Substance Of The Settlement Falls Within The Range Of Possible Final Approval.

The remaining consideration at the preliminary approval stage is whether the settlement overall falls within the range of possible [final] approval," *NASDAQ Market Makers*, 176 F.R.D. at 102. The settlement here easily meets this criterion.

First and foremost, this settlement is an exceptional result for the Class. The Class consists almost entirely of freelance authors who did not register their Subject Works with the U.S. Copyright Office. Generally, registration is a requirement for standing to bring infringement actions under the

Copyright Act. *See* 17 U.S.C. § 411. Although plaintiffs have advanced colorable arguments in favor of certification of a copyright class where the class representatives have satisfied the registration requirement but not the absent class members, those arguments are as yet untested in the courts. There is a risk that, if forced to litigate the infringement claims in this proceeding, absent class members could be found to lack standing and, as a result, would be unable to receive any legal redress for the copyright infringement on which these actions are based.

* * *

DATED: March 22, 2005 Respectfully submitted,

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APPENDIX A-2

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

IN RE LITERARY WORKS IN ELECTRONIC DATABASES COPYRIGHT LITIGATION	MDL No. 1379

DECLARATION OF ROBIN BIERSTEDT IN SUPPORT OF PRELIMINARY APPROVAL OF THE SETTLEMENT

(Filed Mar. 31, 2005)

I, Robin Bierstedt, declare as follows:

1. I am Vice President and Deputy General Counsel of Time Inc. ("Time" or the "Company"), one of the defendants in *Tasini v. New York Times, et al.*, Case No. 93 Civ 8678 ("Tasini Action"), filed in 1993 in the United States District Court for the Southern District of New York. The Tasini Action was filed on behalf of six individual freelance authors and challenged publishers' rights under Section 201(c) of the Copyright Act of 1976, 17 U.S.C. § 101 *et seq.* ("Copyright Act"), to use freelance content in electronic formats.

2. In mid-2000, four class action cases were filed in New York, Delaware, and California which were consolidated in December 2000 into *In re Literary Works in Electronic Databases Copyright Litigation*, MDL No. 1379 (the "Class Action Database

Case"). The Class Action Database Case was filed on behalf of 21 representative plaintiffs and a class of other freelance authors alleging violations of the Copyright Act arising out of the electronic reproduction, display, sale, and/or distribution of freelance authors' works without their authorization. As counsel for Time, I have participated in the voluntary mediation of settlement discussions in the Class Action Database Case since November 2001.

3. I submit this declaration in support of the request for preliminary approval of the proposed settlement and notice program in the Class Action Database Case. This declaration sets forth in detail the reasonable efforts Time made to identify the names and addresses of freelance authors who have written for the Company and who may be potential class members in the Class Action Database Case. As described more fully below, while Time can identify names of some potential class members from its records, it can neither match these names with addresses nor recreate any "last known address" lists for these names.

Background

4. Time is the largest magazine publisher in the world, publishing such popular titles as TIME, SPORTS ILLUSTRATED, PEOPLE, FORTUNE, ENTERTAINMENT WEEKLY and INSTYLE. Each of the magazines operates independently, with its own separate editorial and business staffs. Each

magazine hires its own employees and engages its own freelance contributors. There is no central division or common department that acts as a clearinghouse for freelance authors.

5. The Tasini Action was brought in December 1993. At that time, because the Company believed it had the right to put freelance articles on third-party databases pursuant to Section 201(c) of the Copyright Act, Time did not have written contracts with all its freelancers, and the practices as to specific agreements varied among the magazines it published. Beginning in 1994, following the filing of the Tasini Action, Time changed its practices with regard to freelancers and by 1995 made consistent use of work-for-hire contracts or other forms of agreement that provided Time with the right to republish freelance articles on databases.

6. The process of identifying freelance authors began in early 2001. Time had decided that if the Supreme Court ruled adversely to defendants in the Tasini Action, it would endeavor to remove from its external databases (the defendants in the Class Action Database Case) all articles written by freelancers with whom we had no written agreement conferring database rights. Several months prior to the Supreme Court's decision on June 25, 2001, in anticipation of an adverse ruling, we began the process of identifying freelance writers whose articles we would remove from the databases.

7. The process was time-consuming and laborious. Neither Time nor the individual magazines it published had an internal database or other electronic or paper list of freelance writers. The database of independent contractors who received Forms 1099 for tax purposes was a much larger list, and it was impractical if not impossible to identify freelance writers from such a list. For example, there was no way to distinguish a pizza deliverer from a freelance writer. The only feasible way for us to obtain a list of freelance writers was to engage in a multi-step process.

The Multi-Step Process to Identify Freelancers

8. We first identified the magazines that used freelance writers prior to 1995 (through conversations with the magazines' lawyers and editors), and which of these magazines had content on databases that pre-dated 1995 (through conversations with employees of Editorial Services, a group that oversaw the contractual relationships with database companies). The year 1995 was relevant because, as stated above, it was in that year that Time consistently made use of work-for-hire agreements or other contracts conveying electronic database rights for all magazines.

9. We next identified the range of years, ending in 1995, for which issues of the magazines were on the databases. In most cases the database companies carried magazine issues dating back to 1982. Thus,

the relevant time period was 1982-1995. Time then identified the magazines that used freelance writers during the relevant time period, and then identified among them the magazines that did not consistently, during the time period, use contracts conveying electronic database rights.

10. Having identified the relevant magazines and time periods, we created for each magazine a list of all bylined names (the names of people credited with authorship) on the articles in the databases. This was a laborious process that required pulling the individual author's name from each article. We then created a list of employees at each of the magazines from our internal business records. We next compared the Company employee list to the bylined name list for each magazine, removing the names of all employees from the byline list.

11. At the end of this process we had initial lists of freelance writers for all of the relevant magazines (the "Initial Lists"). But the Initial Lists were imperfect, since there were misspelled names as well as different versions of the same name caused by things like misspellings, errors in spacing, the use of middle initials, nicknames, and shortened versions of names. Some employees appeared erroneously on the Initial Lists.

12. To correct the errors, a manual review of each list was conducted by a group of people who had been at the Company for many years and who were familiar with both the personnel and practices of each

magazine. This group included, for each magazine, at least one lawyer, one editor, and in some cases a person from the business side.

13. We also knew that each list was over-inclusive, since they included freelance writers who had work-for-hire or other agreements with the magazines conveying database rights. The same group of people who reviewed for errors noted anyone on the Initial Lists who fell into the foregoing category, and we removed those people from each list.

14. We had a final list of names from each of the magazines completed in late July 2001 and consolidated them into a final master list (the "Final List"). There was a total of 1,877 names on the Final List. We sent the Final List to each of the electronic databases carrying Time material and asked them to remove all articles written by those authors identified on the Final List.

The Difficulty of Obtaining Addresses

15. The names we obtained for the Final List were not attached to or affiliated with any mailing addresses. There is no feasible way of obtaining mailing addresses for them.

16. While the Company issued Forms 1099 to freelance authors and paid them for their articles, accounting records for all years prior to 1993 have been purged. (The IRS requires that they be kept for only seven years.) Prior to 1993, Time used the "DDA"

software system for all of its accounts payable information. When Time switched to the Geac software system in 1993, everything prior to that time was purged and subsequently destroyed. There is no accounts-payable information dating back to 1992 or earlier.

17. The Geac system was in place between 1993 until 2000, when Time changed over to PeopleSoft and transferred to the new system only those names and addresses of independent contractors who had payment activity as recent as 1999. The Geac system was purged in 2000, but the information in the system continues to exist in an historical archive. This information is not searchable by payee name, however, and can be searched only by vendor number. In the case of freelance writers, the vendor number was usually the individual's social security number, which the Company does not have.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 7th day of January, 2005, at New York, New York.

/s/ Robin Bierstedt
ROBIN BIERSTEDT

APPENDIX A-3

IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK

IN RE LITERARY WORKS IN ELECTRONIC DATABASES COPYRIGHT LITIGATION	MDL No. 1379

MEMORANDUM OF LAW IN SUPPORT OF PLAINTIFFS' MOTION FOR FINAL SETTLEMENT APPROVAL

* * *

III. ARGUMENT

* * *

C. The Terms of the Settlement Agreement Are Fair, Adequate and Reasonable.

* * *

1. The Complexity, Expense and Likely Duration of the Litigation

The *Tasini* decision resolved a significant liability issue in favor of plaintiffs. It held that the non-image-based electronic reproduction of freelance works is not a "revision" of a collective work under Section 201(c) of the Copyright Act, and therefore defendants may not assert that statutory provision as a defense in this case. *New York Times Company, Inc. v. Tasini*, 533 U.S. 483, 493 (2001). *Tasini*, however, did not even address let alone dispense with a vast array of other complex issues facing plaintiffs here in a

litigation context. *See Wal-Mart*, 396 F.3d at 118-19 (although government's successful prosecution of key liability issue "improved plaintiffs' likelihood of success," court nevertheless found case complex in light of defenses with respect to damages element).

Defendants have aggressively argued, for example, (1) that the Class must be limited to authors who registered their works in the U.S. Copyright Office; (2) no class would be certified in this case because of asserted numerous individual issues (*e.g.*, the calculation of damages for each class member is an individual issue that predominates over common issues); (3) the databases do not distinguish between "freelance works" and works for hire, and such information is in the possession of the many thousand content providers, if at all; (4) identification of the infringed works is unmanageable; and (5) determining damages would be extremely complex. "[F]ocused and diligent labor was required because of the novelty and difficulty of the legal questions involved. . . ." *In re Copley Pharmaceutical, Inc., "Albuterol" Prod. Liab. Litig.*, 1 F. Supp. 2d. 1407, 1413 (D. Wyo. 1998).

* * *

4. <u>The Risks of Establishing Liability</u>

While plaintiffs are confident that they would ultimately prevail, there is the risk that they would not establish liability on their claims. Contrary to certain objectors' misinformed assumption that once *Tasini* was decided the class action became a "slam

dunk," plaintiffs still faced the risk that liability on a classwide basis would not be established. For one thing, the vast majority of works at issue were never registered with the U.S. Copyright Office, and thus could not have been included in the action. *See* 17 U.S.C. § 411(a) (stating that generally, copyright infringement action may not be brought unless preregistration or registration of copyright has been made: or application for registration has been properly made and refused, and notice of action and complaint are served on Register of Copyrights; *Morris v. Business Concepts, Inc.*, 283 F.3d 502 (2d Cir. 2002) (where plaintiff sued defendants for publishing article that had been written by plaintiff and previously licensed to magazine, Second Circuit held that the registration of copyright in a collective work does not constitute registration of copyright in a freelance article contained in the collective work, and precluded plaintiff from proceeding with suit for lack of standing). (*See* Morrison Decl. ¶ 9; Aiken Decl. ¶¶ 16-17.)

For another, even as to the works that were registered and therefore inarguably within the Court's jurisdiction, defendants advised plaintiffs during the mediation that other colorable defenses against liability existed, including the existence of oral and implied-in-fact licenses, and claim bars based on estoppel, acquiescence and laches. (Boni Decl. ¶ 8.) The decision in *Tasini* removed but one defense advanced by the defendants, *i.e.*, that the "revision" provision in Section 201(c) of the Copyright Act

encompassed the electronic reproduction of freelance articles contained in collective works.

5. The Risks of Establishing Damages

Nor did *Tasini* resolve, or even address, the issue of damages. Plaintiffs faced a substantial uphill battle establishing damages. Again, the overwhelming majority of works at issue would have gone completely uncompensated because freelance authors typically did not register their works and thus lacked standing to bring an infringement action.

* * *

6. The Risks of Maintaining the Class Action Through Trial.

The risk that a motion for class certification would be denied is another factor favoring the Settlement. To the extent any class were to be certified in the present action, it would almost certainly be limited to authors of registered works, thereby excluding virtually all freelance authors, precisely the persons for whom this case was brought. *See Ryan v. CARL Corp.*, No. C-97-3873-FMS, 1999 U.S. Dist. LEXIS 366 (N.D. Cal. Jan. 14, 1999) (injunctive relief class limited to authors of registered works).

* * *

8. <u>The Range of Reasonableness of the Settlement Fund in Light of the Best Possible Recovery.</u>

* * *

In comparing the settlement recovery to what could have been possibly achieved for the Class through further litigation, it must be reiterated that the likely exclusion of unregistered works would reduce the actual damages by more than 99%. In that regard, the amount achieved by the settlement is very likely ***higher*** than what could have been achieved on behalf of a registered works class at trial.

9. <u>The Range of Reasonableness of the Settlement Fund in Comparison to a Possible Recovery in Light of the Attendant Risks of Litigation.</u>

* * *

As described above, the Settlement offers substantial benefits to the Class Members *now* as opposed to the continued risk and delay offered by further litigation. The risks of further litigation are abundant, and are particularly acute for authors of unregistered works. A highly likely outcome of zero is what the vast majority of the Class would face. Finally, defendants made clear in the mediation that there would be no settlement that involved any more funds or any other payment structure (*e.g.*, a royalty scheme similar to ASCAP). (Feinberg Orig. Decl. ¶ 13.) Given the circumstances, there was no reason

for Plaintiffs' Co-Lead Counsel to disbelieve them. The Settlement should thus be approved.

* * *

E. The Objections Are Meritless.

* * *

1. The Release of Claims for Continued Use of Subject Works Is Proper.

* * *

(a) The Settlement Term is Nothing More Than a Release of a Known Claim For Continuing Non-Exclusive Use.

* * *

Second, the claims being released with respect to continuing use by defendants was undisputedly encompassed in plaintiffs' complaint, which sought both monetary and injunctive relief. (*See* Compl. ¶¶ 68-82 and Prayer for Relief.) Accordingly, this fact takes the release here out of the purview of *Amchem,* in which the Supreme Court rejected a release of claims for future asbestos injuries that class members did not have any way of knowing they would develop when they were called upon to decide whether to stay in or opt out of the class. *See* 521 U.S. 591. (*See* Issacharoff Decl. ¶¶ 12-15) Here, the continued use by defendants of the Subject Works was the basis for plaintiffs' injunctive relief claims, and the Notice made perfectly clear that the Class's works would continue to be used unless Class Members opted

out or exercised their takedown right. Because this case – and the release – involve a finite, identifiable universe of works, every Class Member is capable of making a fully informed decision of whether to opt out or request the takedown of his or her works.[10]

* * *

2. <u>The Plan of Allocation Is Fair and Reasonable.</u>

* * *

As to differential treatment in the Plan of Allocation, less favorable treatment of Category C Claims is appropriate. Unregistered works do not

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[10] Indeed, although not applicable here, it is not uncommon for courts to release claims that were ***not*** sued upon, and even claims that could never have been sued upon. *See, e.g., Wal Mart,* 396 F.3d at 107 ("The law is well established in this Circuit and others that class action releases may include claims not presented and even those which could not have been presented. . . ."); *In re Prudential Ins. Co. of Am. Sales Practices Litig.*, 261 F.3d 355, 366 (3d Cir. 2001) (holding that "a judgment pursuant to a class settlement can bar later claims based on the allegations underlying the claims in the settled class action . . . even though the precluded claim was not presented, and could not have been presented, in the class action itself) (citing *Grimes,* 17 F.3d at 1563; *In re Baldwin United Corp.* (*Single Premium Deferred Annuities Ins. Litig.*), 770 F.2d 328, 336 (2d Cir. 1985); *TBK Partners, Ltd v. Western Union Corp.*, 675 F.2d 456, 460 (2d Cir. 1982); *Class Plaintiffs v. City of Seattle,* 955 F.2d 1268 (9th Cir. 1992) (holding that federal court may release state law claims over which it lacks subject matter jurisdiction if state law claims arise from same nucleus of operative fact as claims over which court does have jurisdiction)); *Uhl,* 309 F.3d at 982, 984-85.

even confer standing to bring a lawsuit, let along give rise to statutory damages. Thus, even if this action were pursued to a favorable verdict and affirmed on appeal, Category C claimants would end up with nothing, as opposed to the cash payments they can claim now under the Settlement.

It is proper to tailor plans of allocation to reflect the relative strengths and weaknesses of subsets of classes. As the court explained in *In re PaineWebber Limited Partnerships Litigation,* 171 F.R.D. 104 (S.D.N.Y. 1997), *aff'd,* 117 F.3d 721 (2d Cir. 1997), "when real and cognizable differences exist between the 'likelihood of ultimate success' for different plaintiffs, 'it is appropriate to weigh "distribution of the settlement . . . in favor of plaintiffs whose claims comprise the set" that was more likely to succeed.'" *Id.* at 133; *see also In re Charter Communications, Inc., Sec. Litig.,* MDL No. 1506, 2005 U.S. Dist. LEXIS 14772, at *33 (E.D. Mo. June 30, 2005) ("[T]here is no rule that a settlement benefit all class members equally. Indeed, it is appropriate for inter-class allocations to be based upon, among other things, the relative strengths and weaknesses of class members' individual claims. . . ."); *In re Gulf Oil/ Cities Service Tender Offer Litig.,* 142 F.R.D. 588, 596 (S.D.N.Y. 1992) (" . . . I find also that the allocation plan proposed by class counsel is reasonable. . . . Among the purchasers, most of the proceeds are allocated to those who . . . who have the strongest claim. . . .").

Thus, providing for the reduction of Category C Claims under certain circumstances, before reducing Category A and B Claims, is neither arbitrary nor unjustified. To the contrary, **not** treating the claims differently would be unfair to those authors, however few, who did register their works and who alone would have standing to sue and in some cases seek statutory damages.

* * *

3. The Other Objections Also Lack Merit.

(a) Other Chalmers Objections

* * *

Chalmers also contends that, because they all registered their works, plaintiffs are not adequate to represent those Class Members who did not register their works. This is an outlandish assertion. For one thing, no author **without** a registered work could have sued. *See* 17 U.S.C. § 411(a). For another, the claims of plaintiffs and all other Class Members, both those who registered their works and those who did not, arise from the same factual predicate – the conveyance of their works for electronic display in a form enabling the viewing of their works in isolation from the rest of the collective works in which their works were first published. Thus, the interest of plaintiffs and all other Class Members were aligned with respect to maximizing the amount defendants would pay in the Settlement. *See Wal-Mart,* 396 F.3d at 106-07 ("[P]laintiffs . . . [may] release claims that

share the same integral facts as settled claims, provided that the released claims are adequately represented prior to settlement. Adequate representation of a particular claim is established mainly by showing an alignment of interests between class members . . . .").

As for the treatment of Category C claimants under the Plan of Allocation, as explained above, there is nothing unreasonable about designing the Plan of Allocation to reflect the relative strengths of the claims of subsets of the Class, especially given that unregistered authors would have no available avenue for relief in the courts. In addition, the issue is moot. Based on the claims to date, there will be no reduction at all in the scheduled payments to Category C claimants.

* * *

Respectfully submitted,

Dated: September 19, 2005 /s/ Michael J. Boni

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APPENDIX A-4

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

IN RE LITERARY WORKS IN ELECTRONIC DATABASES COPYRIGHT LITIGATION — MDL 1379 (GBD)

DEFENSE GROUP'S RESPONSE TO OBJECTIONS AND BRIEF IN SUPPORT OF FINAL APPROVAL

* * *

II. CONTRARY TO THE OBJECTORS' INACCURATE ASSUMPTIONS, PLAINTIFFS FACED ENORMOUS RISK AS TO LIABILITY, DAMAGES, AND CLASS CERTIFICATION, WHICH PROVIDES THE ESSENTIAL CONTEXT FOR ASSESSING THE ADEQUACY, FAIRNESS, AND REASONABLENESS OF THE SETTLEMENT AGREEMENT.

The fairness, adequacy, and reasonableness of any settlement is always a function of the risks faced by plaintiffs in proceeding to trial. Here, notwithstanding the objectors' assumptions that the plaintiff class faced no obstacles whatever to "cashing in" on the *Tasini* decision, those risks were enormous from every perspective, and the glib assertions of some plaintiff organization leaders at the outset of the litigation that the claims were risk-free or worth more than a billion dollars were nothing but puffery. Defendants and the then-participating publishers

submitted a pre-mediation brief explaining and summarizing those risks to mediators Feinberg and Woodin so that they would have those arguments and be able to bring them to the attention of class counsel. And defendants and those publishers made these arguments directly to class counsel, repeatedly, in every mediation session over three years until the general outline of the settlement terms was reached (and on occasion thereafter as well, when difficulties arose).

Those arguments, outlined in the pre-mediation brief which is Exhibit A to the Sims Declaration submitted herewith, form an essential backdrop for assessing the adequacy, fairness, and reasonableness of the settlement. As class counsel were repeatedly shown, plaintiffs faced enormous risks that they would not succeed in establishing liability for most of the works they attempted to put in suit, because a huge proportion of the claims were for works in which copyright had never been registered, and which were not, therefore, within the court's subject matter jurisdiction; even the relatively few claims for registered works were subject to serious risk of not succeeding, because (a) many claims were barred by the statute of limitations, (b) many claims were barred by express or implied licenses, and (c) many claims were barred by estoppel, acquiescence, and/or laches. *See* Pre-Mediation Brief at 18-19, 41-46.

Plaintiffs also faced substantial risks of not being able to establish damages. Indeed, they almost certainly could not have obtained compensation for

articles in which authors had not registered copyrights, under 17 U.S.C. § 411(a). Even for registered articles they could have obtained at best only *de minimis* compensation, because statutory damages were generally unavailable (17 U.S.C. § 412), an award of "reasonable royalties" or profits was unavailable as a matter of fact and law, and putative class members could show, at best, only *de minimis* revenue attributable to use of their articles (because dividing total gross revenue by the number of archived documents yields a gross revenue-per-article figure of only pennies (or fractions of pennies) per article). *See* Pre-Mediation Brief at 33-38.

Finally, plaintiffs also faced substantial risks that if the case were litigated no class would have been certified at all, or if initially certified maintained through trial. If claims had been litigated, the law appeared to foreclose certifying any class action that would have encompassed claims respecting unregistered works, and even with respect to registered works litigated claims necessarily require individualized determinations of liability (as to whether freelance authors had granted electronic rights pursuant to written, oral, or implied-in-fact licenses) and damages that precluded any finding that a class action for damages was manageable and a superior way of proceeding and that class issues predominated.[1] As the pre-mediation memorandum

[1] Notwithstanding defendants' pre-mediation arguments that plaintiffs claims could not be *litigated* as a class action, we

(Continued on following page)

and arguments made to plaintiff's counsel repeatedly stressed, no court had *ever* certified a litigated Rule 23(b)(3) class action for copyright infringement damage claims, while such motions had been denied. *See* Pre-Mediation Brief at 21-22.

In addressing final approval, the court need not, of course, resolve the legal issues addressed in the pre-mediation brief, or decide whether defendants' position on each of those issues was correct. It suffices simply to recognize that the risks existed – that contrary to the objectors' glib assertions, the claims to be litigated were subject to numerous, serious difficulties at every turn – and there is surely no basis whatever to conclude otherwise.

---

agree with plaintiffs' conclusion that, in the context of a settlement, all the requirements of Rule 23 have been met. *See Amchem Prods., Inc. v. Windsor*, 521 U.S. 591, 620 (1997) (when a class is certified for settlement purposes only, although the requirements of Rule 23 must be met, "a district court need not inquire whether the case, if tried, would present intractable management problems"); *In re Cmty. Bank of N. Va. & Guar. Nat'l Bank of Tallahassee Second Mortg. Loan Litig.*, 2005 U.S. App. LEXIS 17471, *49-50 (3d Cir. Aug. 11, 2005) (same); *In re Global Crossing Sec. & ERISA Litig.*, 225 F.R.D. 436, 451 (S.D.N.Y. 2004) (Lynch, J.) (same).

III. THE PROPOSED SETTLEMENT IS FAIR AND ADEQUATE

* * *

B. Category C Claims Are Not At Risk And Are Properly Represented.

* * *

Mr. Chalmers' second complaint regarding C claims – that the named plaintiffs are not proper class representatives for authors with such claims, and that authors who have *only C* claims should represent those claimants – is also misguided. First, and fundamentally, there is no alternative here to having the named plaintiffs (who have claims in all three categories) represent all those categories, because no named plaintiff does – and no person intervening as a named plaintiff *could* – have only C claims. Because the Copyright Act confers jurisdiction only for claims concerning registered works and precludes any infringement action for an unregistered work, the Court would lack subject matter jurisdiction over any person whose "claims" all involve unregistered works. 17 U.S.C. § 411(a); *Morris v. Bus. Concepts Inc.*, 259 F.3d 65, 68 (2d Cir. 2001). Named plaintiffs who have C claims in addition to their A and B claims for registered works (and Mr. Chalmers recognizes that named plaintiffs have such claims) are perfectly capable as a matter of law of representing the class of freelance authors, and negotiating for a settlement which pays authors different

amounts depending on whether they have registered at all, or in time to obtain statutory damages.

* * *

September 19, 2005

Respectfully Submitted,

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By: /s/ Charles S. Sims
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APPENDIX A-5

IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK

MDL No. 1379

IN RE LITERARY WORKS IN ELECTRONIC DATABASES COPYRIGHT LITIGATION

DECLARATION OF CHARLES S. SIMS

CHARLES S. SIMS hereby declares as follows under penalty of perjury:

1. I am a partner at Proskauer Rose LLP, counsel for defendant Reed Elsevier Inc. in this matter. I also functioned as coordinating counsel for the entire defense group. As such, I actively participated in every phase of the litigation and mediation of this action and submit this declaration in support of the Defense Group's Response to Objections and Brief in Support of Final Approval.

2. At the outset of the mediation, the mediators, Kenneth Feinberg and Peter Woodin, worked out a substantial exchange of pertinent information at the request of counsel for the plaintiffs and putative class.

3. Among other matters, the various defendant databases disclosed to Mr. Feinberg and the plaintiffs extensive information, including on royalty payments paid to content providers, revenues received from subscribers and/or users, licensing terms, and articles

that had been removed from databases in anticipation of or in the wake of the Supreme Court's decision in *New York Times Co. v. Tasini*, 533 U.S. 483 (2001).

4. Furthermore, content providers participating in the mediation, including the Union Tribune Publishing Company, Knight-Ridder, Inc., The New York Times Company, Time Inc., and Tribune Company, disclosed comparable information, including, for example: information regarding license fees, the number of articles (and such information as existed about the number of freelance articles) per year, the (generally small) percentage of articles that are freelance articles in each publication's database, and expense and revenue for publication archives, if available. Additional information was sought and provided as well, and further information was provided on request.

5. Among other matters, the defense group disclosed to class counsel that:

- recent articles (less than 60 days old) were more likely to be accessed than articles of older vintage;
- neither licensing revenue, nor users, nor user revenues declined when the publishers withdrew hundreds of thousands of articles from databases;
- starting in the mid-1990s, publishers had begun to routinely obtain electronic rights

from freelance authors without any corresponding increase in license fees;

- freelance articles were extremely unlikely to be accessed, much less copied – in one case, by examining the set of nearly 80,000 documents removed by The New York Times over a 10-month period, one of the largest databases was able to ascertain that only 5% of those documents had been "hit";

- the largest databases (LexisNexis and Westlaw) did not collect information that would permit identification of articles accessed, downloaded, or printed, or have data from which article-specific access could be identified;

- The defendants obtain content from publishers through thousands of formally valid representations (which plausibly rest on written, oral, or implied-in-fact agreements) backed by indemnities. The terms of these agreements have varied over time and differ depending on the particular content provider and freelance author at issue;

- Most database defendants obtained their revenues entirely, or almost entirely, under arrangements other than selling individual articles (*e.g.*, annual fees, such as those paid by the Administrative Office of the Federal Courts and law firms). Per-article download fees generated, if anything, only a few dollars of gross royalties for putative class members, and in most cases nothing at all. For the few if any defendants who charge

ascertainable download fees, most claimed articles were not downloaded during the relevant period;

- Revenue other than download fees is attributable to factors other than the inclusion of any individual article in the databases – e.g., the overall size and scope of the database's collection, the marquis value of its publication, and its brand name;
- No database customer ever demanded a refund of any portion of its subscription fees, despite defendants' removal of in excess of 150,000 articles from their databases; and
- Studies undertaken by the defense group indicate that copyrights had been registered for fewer than 1 in 1000 freelance works likely to have been delivered to a database without an express license covering electronic rights.

6. From the outset of the litigation, the Database Defendants advised the plaintiffs and the mediators that by the nature of their agreements and arrangements with content providers (i.e., publishers) they had no knowledge of which authors of articles were staff employees and which were freelance authors; no knowledge of the existence or details of licenses that any given freelance author had given to the publisher of his or her article; that they received content from responsible publishers together with representations, warranties, and indemnities as to the publisher's right to convey the article for

distribution on the databases; that if the case were litigated the defendants would add, as additional parties, the publisher-content providers, and assert third-party claims against them; and that any settlement must therefore include the publishers, arrange for their responsibility pursuant to their representations and indemnities, and guarantee "complete peace" with respect to the Subject Works. Accordingly, the settlement negotiated was aimed at complete peace between the putative class, the Database Defendants, and the publishers, and the Settlement Amount was expressly designed to comprehensively resolve all infringements by the content providers or Database Defendants or both with respect to the Subject Works.

7. The mediation, which lasted more than four years, was exceedingly complex, involving disagreements not only between plaintiffs and defendants but among four different lead class counsel, between defendants, between defendants and the publishers of the content they carried (whose representations and associated indemnities were implicated), and between various defendants and publishers, on the one hand, and their insurers, on the other. The defendants made plain that there could be no settlement whatever unless their related disputes with the publishers were resolved.

8. The settlement range of $10 million minimum, $18 million maximum was agreed to only in conjunction with the publishers, and was not – and would not have been – agreed to independently by the

Database Defendants had the publishers not agreed to share as they did, by providing at least half the consideration.

9. Tribune Company (hereafter, "Tribune"), on behalf of all of its affiliates and subsidiaries, actively participated in the mediation, from its inception through the present. Together with Time Inc. and The New York Times Company, Tribune worked hard and with great success to persuade other leading publishers to participate, so that the settlement could be reached in the first place. In order to secure that broad publisher participation so as to make the settlement possible, Tribune contributed substantial consideration that has been essential to the settlement, including publication in its publications of the class notice for which publishers collectively have a $1 million credit to the Settlement Amount; its commitment (along with other leading publishers among the Participating Publishers collectively) to guarantee $4 million of the $10 million minimum Settlement Amount; and its further commitment (again along with other publishers) to pay all the direct costs of valid claims made against the publications of itself and its subsidiaries and affiliates. Under the agreement between the database defendants and participating publishers, publishers are responsible for 50% of the settlement amount if the settlement does not exceed the $10 million minimum settlement amount, rising up to 72% of the entire settlement amount if the $18 million maximum settlement is reached.

10. The parties to the mediation concluded that there was no reasonable prospect at all that claims in categories A and B (for registered works) would exhaust the $18 million Settlement Fund. That judgment was based on the experience of the named plaintiffs (including freelance author organizations) and confirmed by studies undertaken by defendants, which demonstrated that extraordinarily few freelance authors incur the $30 fee and effort to register their freelance contributions to newspapers and magazines. (Of 1000 apparently freelance articles checked, only 1 was the subject of a registration, and that happened to be by one of the named plaintiffs).

11. Claims submitted during the claim period continue to confirm that assessment. Based on the claims already submitted through September 7, 2005, as reported by the claims administrator, and extrapolating on a straight-line basis over the final three weeks of the claim period, it appears inconceivable that claims would bring the settlement amount over the $18 million minimum amount, which would be required for freelance authors with category C claims not to be paid in full. (The Administrator has preliminarily valued claims filed through September 7, assuming them all valid, at roughly $2.682 million; extrapolated through September 30 would yield claims valued at roughly $3.192 million.)

12. At the outset of the mediation, the mediators requested that the defendants and participating publishers (hereafter "the defense group") provide them with a pre-mediation brief describing their

position on any pertinent legal or factual issues which might bear on the defense group's valuation of the claims asserted in the action, and which the defense group believed the plaintiffs should take into account in formulating their demand. A copy of the defense group's pre-mediation brief is annexed below as Exhibit A. Although the pre-mediation brief was supplied directly to the mediators and not to plaintiffs' counsel, the various arguments therein were repeatedly delivered to the plaintiffs by both the mediators and by counsel for the defendants and publishers.

13. One of the new objections made by Mr. Chalmers, which is supposedly supported by a declaration of Edward John Hasbrouck (who has himself opted out), is that the Settlement Agreement releases claims against Amazon.com and "give[s] it a non-exclusive license" in books sold by or available on Amazon.com. That is a fundamental misreading of the Settlement Agreement. Mr. Hasbrouck (and Mr. Chalmers) ignore the Settlement Agreement's definition of "Released Claims," which provides that "(v) no claims shall be released with respect to works that have not, on or prior to the date of this Agreement, been reproduced, distributed, displayed or transmitted by any Defense Group member." Settlement Agreement § 1.n(v). Mr. Hasbrouck does not assert that his book has ever been "reproduced, distributed, displayed or transmitted by any Defense Group member," and as such it is not subject to claim or release under the Settlement Agreement.

14. The Judicial Panel on Multidistrict Litigation ("JPML") issued a conditional transfer order in the matter of *Roeder v. The Tribune Company, Inc., et. al.*, on or about March 22, 2005. Roeder's motion to vacate that conditional transfer order was denied by the JPML by order dated August 11, 2005, a copy of which is annexed hereto as Exhibit B.

I declare under penalty of perjury that the foregoing is true and correct. Executed on September 15, 2005.

/s/ Charles S. Sims
Charles S. Sims

APPENDIX A-6

DEFENDANTS' JOINT MEMORANDUM IN CONNECTION WITH THE MEDIATION IN *IN RE LITERARY WORKS IN ELECTRONIC DATABASES COPYRIGHT LITIGATION*, MDL No. 1379 (S.D.N.Y.)

The documents and information contained within are confidential, to be used for purposes of the mediation only and not otherwise, pursuant to the terms of the mediation agreement.

[Submitted as "Exhibit A" attached to the Declaration of Charles S. Sims filed Sept. 19, 2005, in the district court]

February 15, 2002

PRELIMINARY STATEMENT AND OVERVIEW

The Supreme Court's decision in *New York Times Co. v. Tasini*, 121 S. Ct. 2381 (2001), resolved in plaintiffs' favor one important legal issue this litigation initially posed. Nevertheless, for a number of compelling procedural, factual, and basic economic reasons, this remains at best a very difficult case for plaintiffs and one in which plaintiffs' prospects of achieving a significant recovery range from remote to nonexistent.

First, from a procedural perspective, this is a case in which the defendants have very strong and substantial arguments against class certification.

Obviously, if a settlement is reached we would stipulate to and seek approval for class treatment for settlement purposes. But if the class issue must be litigated, there are strong arguments against certification based on the fact that the issues to be resolved here are overwhelmingly individual, turning on (i) the discrete contractual relations between thousands of individual authors and thousands of content providers with respect to tens of thousands of different articles, and (ii) discrete calculations of copyright damages which will vary on an article-by-article basis. Ironically, the only truly common issue raised in this case *was* the *Tasini* issue, which the Supreme Court resolved. Neither contract actions (involving multiple contracts) nor copyright actions are typically certified for class treatment – in both situations for reasons fully applicable here. Without class certification, this case will effectively be over.

Second, as a factual matter, freelance articles have never constituted more than a modest percentage of the total content of any of the databases in suit. For example, The New York Times reports that less than 4% of its articles were written by freelancers, while other major content providers such as the Associated Press and PR Newswire report having none at all. Even for those content providers who do employ freelance authors, liability will depend upon whether, in each individual case, the author granted electronic rights to the publisher. All content providers represented and warranted to their database customers that they possessed such rights

for the materials they licensed. Some may have been relying upon the interpretation of § 201(c) rejected in *Tasini* in so doing, but many have secured express written grants all along. Since the mid-1990s, when the *Tasini* case focused attention on the issue, those publishers whose form contracts failed to address electronic distribution began to change their forms, and today virtually everyone's contracts expressly grant such rights. Even in those instances where the written contract is silent, issues of oral or implied license, as well as equitable defenses of waiver and estoppel, will prevent many freelancers from making out an infringement claim. And, finally, unless the freelance author registered his or her copyright – which virtually none ever do – the author may not pursue a copyright claim, even if the author could clear all the contractual and equitable hurdles mentioned above. In short, the registered, unlicensed freelance articles actually at issue here will turn out to be very few in number and of little value due to their dated nature. Prospectively, the issue is of negligible significance, at best.

Third, from an economic perspective, there is no case for a large damage award here. It is a simple fact that precious few, if any, individual articles (freelance, or otherwise) have measurable value standing alone as database components, and the typical freelance author does not have sufficient market power to negotiate to be paid anything extra for a grant of electronic publication rights. How do we know? The former is demonstrated by the fact that

wholesale deletions of freelance and other articles have occurred since the Supreme Court decision in *Tasini*, without any adverse impact on the database companies' revenues and with no measurable drop-off in subscriptions. The latter is shown by the fact that those publishers who have changed their form contracts to include express grants of electronic rights have paid no more for such rights, and no separate market exists for them.

* * *

FACTS PERTINENT TO PLAINTIFFS' CLAIMS

* * *

A. Express And Implied-In-Fact Licenses Between Freelance Authors And Content Providers Apply To The Vast Majority Of Freelance Periodical Content.

1. Many Content Providers Possess Clear Written Electronic Rights To Freelance Content For The Pertinent Time Period.

* * *

But many content providers *do* possess written agreements authorizing their distribution of freelance content to defendant databases. Some content providers have consistently obtained electronic rights throughout the *entire* period with respect to content available in electronic databases. For example, The New Yorker reports that of the 1601 articles available in the LexisNexis database, *all of these articles* are subject to express written licenses granting

appropriate electronic rights. *See, e.g.,* New Yorker Disclosures.

Moreover, even those publishers without express electronic rights licenses for some of their earliest content made available online secured such express licenses for more recent works, including all (or virtually all) content written during the *relevant limitations period in this case* and some years before. Beginning in the mid-1990s in response to the *Tasini* litigation, many content providers began to revise their written contracts with freelance authors in order to obtain express grants of electronic rights for freelance content. These revised contracts have become the industry standard, even though publishers have reportedly not added any marginally increased compensation for the written licenses of electronic rights, and these licenses clearly authorize the electronic distribution, display, and copying of freelance content online, thereby negating any claim of infringement. For instance, the New York Daily News reports that it has 249,300 articles available in the LexisNexis database through November 2001, for which it has been unable so far to confirm secure electronic rights for only 1,700, or 0.68%. *See* REI Disclosures, Ex. F. [footnotes omitted]

As a result of these licensing practices, articles written since the mid-1990s are likely to be backed by express written licenses, and freelance articles in the databases that are not supported by express electronic licenses are likely older works delivered to content providers at a time when publishers were

unaware of the need to obtain separate authorization for electronic uses of the works. Recovery for copies of many of these older works, however, will be barred by the three-year statute of limitations and will be of no pertinence to the present case.

* * *

C. Arguably Relevant Freelance Content Has Little, If Any, Economic Value.

* * *

4. The Post-*Tasini* Experience Of Both Defendants And Content Providers Confirms That Plaintiffs Have Not Been Harmed.

* * *

Second, despite the fact that defendants have removed in excess of 150,000 freelance articles from their databases, *not a single database customer* to defendants' knowledge has demanded a refund of any portion of its subscription fees. Nor has the absence of these articles caused any decline in the contract amounts in newly-negotiated agreements. The value of any individual ARFC [Arguably Relevant Freelance Content] to users and the databases is precisely $0.

* * *

E. The Failure Of Virtually All Freelance Authors To Register Their Works Dramatically Reduces The Value Of Freelance Claims In This Litigation.

1. Virtually No Freelance Authors Ever Register Their Works.

Only a tiny percentage of freelance authors – on the order of 0.08% or fewer – ever register the copyrights in their periodical contributions. A comprehensive search of Copyright Office registration records for a random sample of 1,200 purged articles, consisting of 100 randomly-selected articles from each of twelve randomly-selected publications that directed LexisNexis to purge specified articles, reveals that – apart from a single article in the sample written by a named plaintiff and identified in the Amended Complaint – *not a single one of those 1,200 articles has been the subject of a copyright registration. See* Addendum C, *infra*. The survey indicates that the percentage of purged ARFC in which authors have registered copyright is no more than approximately 0.08% (1 in 1,200). To put that number in context, even on the extravagant assumption that there are 200,000 potentially eligible freelance authors (and the real number is likely far less), the data shows that only 160 authors would have registered and would therefore be eligible to pursue an infringement claim for damages.

* * *

While the named plaintiffs have allegedly obtained copyright registrations for various articles in suit, the registration survey shows the named plaintiffs are, by that very fact, unrepresentative of the thousands of freelance authors who never register their works at all, and who are ineligible to maintain an infringement action against defendants. *See* 17 U.S.C. § 411.

* * *

ARGUMENT

POINT I

IF PLAINTIFFS LITIGATE THIS ACTION THEY WILL FAIL TO OBTAIN CLASS CERTIFICATION

In the event that the parties are unable to reach a global resolution of this matter, the plaintiffs will not succeed in obtaining certification of the class of freelance authors they seek to represent, because of the highly individualized factual inquiry required to determine liability and damages.[12] Any class would be limited to registering authors works – which is to say, essentially empty.

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[12] Of course, to the extent that it becomes possible to reach a global resolution of this matter, the defendants will work with other interested parties to structure a settlement that will satisfy the mandates of Rule 23, such that a settlement class can be certified.

A. The Court May Not Certify A Class For Claims Respecting Unregistered Works.

"[N]o action for infringement of the copyright in *any* United States work shall be *instituted* until registration of the copyright claim has been made in accordance with this title." 17 U.S.C. § 411(a) (emphasis added). That rule, whose language could hardly be clearer, precludes the certification of any class respecting works in which copyright has not been registered. Even the case on which plaintiffs will principally rely, *Ryan v. Carl Corp.*, 1999 U.S. Dist. LEXIS 366, at *13 (N.D. Cal. Jan. 14, 1999), strictly limited the class to claims respecting registered copyrights.

Extensive authority suggests that registration *before* institution of the claim is required. *See, e.g., Whimsicality, Inc. v. Rubie's Costume Co.*, 891 F.2d 452, 453 (2d Cir. 1989) (registration is prerequisite to copyright infringement claim); *U-Neek, Inc. v. Wal-Mart Stores, Inc.*, 147 F. Supp. 2d 158, 169-70 (S.D.N.Y. 2001) (court lacks jurisdiction unless claimant has obtained registration certificate for work at issue).[16]

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[16] *See also City Merch., Inc. v. Kings Overseas Corp.*, 2001 U.S. Dist. LEXIS 3176, at *7 (S.D.N.Y. Mar. 23, 2001) (Copyright Act and Second Circuit precedent explicitly require registration as prerequisite to infringement claim; actual certificate must be received prior to institution of suit); *Tuff-N-Rumble Mgmt., Inc. v. Sugarhill Music Publ'g, Inc.*, 49 F. Supp. 2d 673, 677 (S.D.N.Y. 1999) ("district courts are

(Continued on following page)

As such, plaintiff will be unable to certify a class covering any unregistered works.

B. Copyright Class Actions Are Exceedingly Rare, And Have Been Certified Only In Narrow Circumstances Not Present Here.

It is hard to over-stress the rarity of copyright infringement class actions: we have found only two. As the last court to certify such a class noted, with considerable understatement, there is "scant authority on class certification in copyright infringement cases." *Ryan*, 1999 U.S. Dist. LEXIS 366, at *13. This lack of authority is unsurprising, because the highly individualized proof required to establish liability in a copyright infringement action is almost always inconsistent with class action treatment. As one court aptly noted:

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without subject matter jurisdiction to hear claims for federal copyright infringement unless a party asserts in [its] pleadings that he has received an actual certificate of registration or its denial from the Copyright Office"); *Noble v. Town Sports Int'l, Inc.*, 1998 U.S. Dist. LEXIS 919, at *1 (S.D.N.Y. Feb. 2, 1998) (dismissing Copyright Act claim because plaintiff had only applied for registration and not received it); *National Ass'n of Freelance Photographers v. Associated Press*, 1997 U.S. Dist. LEXIS 19568, at *39 (S.D.N.Y. Dec. 10, 1997) ("an action for copyright infringement cannot be asserted unless a certificate of registration has been issued; the mere filing of an application is simply insufficient to support such a claim"); *Robinson v. Princeton Review*, 1996 U.S. Dist. LEXIS 16932 (S.D.N.Y. Nov. 15, 1996) (same).

> [I]f each individual copyright owner brought a separate copyright infringement claim, there is no common element which each owner would need to prove in each separate action. *The validity of the copyright, the absence of any valid license, and the specific act of infringement are particular to that one case and no other.*

WB Music Corp. v. Rykodisc, Inc., 1995 U.S. Dist. LEXIS 15866, at *18 (E.D. Pa. Oct. 26, 1995) (emphasis added). *See also Estate of Berlin v. Stash Records, Inc.*, 1996 U.S. Dist. LEXIS 9200, at *5 (S.D.N.Y. July 2, 1996) ("[e]ach class member would have to provide independent proof, relevant only to its claim, of what activities defendants engaged in which violated its particular copyright"). As such, courts have generally rejected attempts to certify copyright classes outright, and only certified them twice under narrow circumstances not present here.

* * *

In sum, there is no precedent for a class containing unregistered works, virtually no precedent for copyright infringement class actions at all, and none for certification of a case such as this.

CONCLUSION

For all the foregoing reasons, defendants submit that plaintiffs would not be able to litigate this case

as a class action, and the claims of the class have no real value (other than nuisance value).

Respectfully submitted,

/s/ Charles S. Sims/RJE

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APPENDIX A-7

05-5943-cv

To Be Argued By:
CHARLES S. SIMS

IN THE

United States Court of Appeals

FOR THE SECOND CIRCUIT

IRVIN MUCHNICK, ABRAHAM ZALEZNIK, CHARLES SCHWARTZ, JACK SANDS, TODD PITOCK, JUDITH STACEY, JUDITH TROTSKY, CHRISTOPHER GOODRICH, KATHY GLICKEN and ANITA BARTHOLOMEW,

Objectors-Appellants,

—against—

THOMSON CORPORATION, DIALOG CORPORATION, GALE GROUP, INC., WEST PUBLISHING COMPANY, INC., DOW JONES & COMPANY, INC., DOW JONES REUTERS BUSINESS INTERACTIVE, LLC, KNIGHT RIDDER INC., KNIGHT RIDDER DIGITAL, MEDIASTREAM, INC., NEWSBANK, INC., PROQUEST COMPANY, REED ELSEVIER INC., UNION-TRIBUNE PUBLISHING COMPANY, NEW YORK TIMES COMPANY, COPLEY PRESS, INC., EBSCO INDUSTRIES, INC. and PARTICIPATING PUBLISHER TRIBUNE COMPANY,

Defendants-Appellees,

MICHAEL CASTLEMAN INC., E.L. DOCTOROW, TOM DUNKEL, ANDREA DWORKIN, JAY FELDMAN, JAMES GLEICK, RONALD HAYMAN, ROBERT LACEY, RUTH LANEY, PAULA MCDONALD, P/K ASSOCIATES, INC., LETTY COTTIN POGREBIN, GERALD POSNER, MIRIAM RAFTERY, RONALD

M. SCHWARTZ, MARY SHERMAN, DONALD SPOTO, ROBERT E. TREUHAFT and JESSICA L. TREUHAFT TRUST, ROBIN VAUGHAN, ROBLEY WILSON, MARIE WINN, NATIONAL WRITERS UNION, THE AUTHORS GUILD, INC. and AMERICAN SOCIETY OF JOURNALISTS AND AUTHORS,

Plaintiffs-Appellees,

EDWARD ROEDER,

Appellant.

ON APPEAL FROM THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK

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* * *

STATEMENT OF FACTS

* * *

Under the guidance of court-approved mediators Kenneth Feinberg and his colleague Peter Woodin, the mediation commenced in the fall of 2001. Defendants and the publishers agreed to provide extensive information sought by class counsel, which was provided during the first quarter of 2002. A1688, 1567-69, 1467-69. That information was provided together with a brief arming the mediators by assessing the strength of the legal and factual

defenses to class certification, liability and/or damages (discussed at greater length below). Citing cases, the brief addressed the defense group's substantial defenses with respect to any liability at all with regard to the bulk of works in suit (which were unregistered), as well as the enormous risks plaintiffs faced as to liability, damages, and class certification. A1571, 1574-1649. The mediation brief was intended to, and did, play a key role in tempering plaintiffs' expectations.

* * *

Risks and likely rewards. Both the outcome of any settlement and the court's assessment of fairness, adequacy, and reasonableness are a function of the risks faced by plaintiffs in proceeding to trial, and an assessment of "the terms of the compromise with the likely rewards of litigation." *Maywalt v. Parker & Parsley Petroleum Co.*, 67 F.3d 1072, 1079 (2d Cir. 1995).

As the defendants explained in their pre-mediation brief detailing and summarizing those risks (A1574-1649), and then in their brief to Judge Daniels on the motion for final approval (which annexed the pre-mediation brief), plaintiffs faced very considerable risks of not establishing liability for most of the works for which they were seeking recovery. *See* A1597-98, 1601-02 and *Morris v. Business Concepts, Inc.*, 259 F.3d 65, 71-72 (2d Cir. 2001) (dismissing infringement action under 17 U.S.C. § 411(a) for failure to register articles, and holding

that registration by collective work owner did not satisfy §411(a)). Surveys defendants undertook indicated that only a small fraction of the freelance works in suit were likely registered – on the order of 0.08 percent, or one in 1200. A1597, 1643-49; *see also* A1464.

Plaintiffs also faced substantial risks that no class would be certified at all because of the difficulty of litigating such claims in a single trial, or if initially certified then maintained through trial. As the pre-mediation memorandum and arguments made to plaintiffs repeatedly stressed, no court had *ever* certified a litigated Rule 23(b)(3) class action for copyright infringement damage claims, while courts had denied such motions. A1602-06. If claims had been litigated, the law appeared to foreclose certifying any class action that would have encompassed claims respecting unregistered works. Even with respect to registered works litigated claims necessarily require individualized determinations of liability (as to whether freelance authors had granted electronic rights pursuant to written, oral, or implied-in-fact licenses) and damages that precluded any finding that a class action for damages was manageable and a superior way of proceeding and that class issues predominated. A1607-15. (Notwithstanding defendants' pre-mediation arguments that plaintiffs' claims could not be adversarially *litigated* as a class action, defendants agreed with plaintiffs that, in the context of a settlement, all the requirements of Rule 23 were met. *See Amchem Prods. v. Windsor*, 521 U.S. 591,

620 (1997) (although the requirements of Rule 23 must be met when a class is certified for settlement purposes only, "a district court need not inquire whether the case, if tried, would present intractable management problems"); *In re Cmty. Bank of N. Va. & Guar. Nat'l Bank of Tallahassee Second Mortg. Loan Litig.*, 418 F.3d 277, 299 (3d Cir. 2005) (same); *In re Global Crossing Sec. & ERISA Litig.*, 225 F.R.D. 436, 451 (S.D.N.Y. 2004) (Lynch, J.) (same)).

Apart from the risk of not obtaining or maintaining class certification for a litigated claim, particularly as to unregistered works, plaintiffs faced a serious risk of not succeeding even with respect to the relatively few claims for registered works, because (a) many claims were barred by the statute of limitations, (b) many claims were barred by express or implied licenses, and (c) many claims were barred by estoppel, acquiescence, and/or laches. A1625-29.

Additionally, statutory damages were generally unavailable for most of the works for which plaintiffs sought recovery (17 U.S.C. § 412), an award of "reasonable royalties" or profits was unavailable as a matter of fact and law, and putative class members could show, at best, only *de minimis* revenue attributable to use of their articles. *See generally* A1616-24. For example, dividing total gross revenue by the number of archived documents yields a gross revenue-per-article figure of only pennies (or fractions of pennies). A1622-24. Moreover, the articles in the databases evidently lack economic value there, as the value of the databases is essentially in the facts they

make easily available, not in expression. For example, the removal of millions of articles because of liability concerns caused by the decisions in *Tasini* did not cause any decline in either license fees received by databases from subscribers who pay a flat fee for database subscription or royalty fees paid by database to publishers. A1592-95. The reason is that most users are seeking information, not expression, and accordingly obtain what they seek (and full value for their subscription fees) when their database searches pull up the facts sought in *any* article, regardless of whether additional, unlicensed freelance articles would have contained additional sources for that same information as well.

* * *

ARGUMENT

I. THE DISTRICT COURT DID NOT ABUSE ITS DISCRETION, AND WAS CORRECT, IN FINDING ADEQUACY OF REPRESENTATION

The objectors' attack on class certification aims solely at adequacy of representation and does not challenge the district court's findings concerning all the remaining Rule 23 criteria. Neither of the two alleged conflicts identified as reasons for finding that the court abused its discretion in finding adequacy of representation – that the Settlement Agreement disadvantages authors of unregistered works relative to the class members, who assertedly represent only registered works, and that "the C reduction provision

favors one part of the class at the expense of another part of the class" – provides any basis for reversing the district court's certification.

* * *

A. The Class Representatives Had the Same Interests as Other Class Members

Objectors try to force this case into the mold of *Amchem Prods. v. Windsor,* 521 U.S. 591 (1997), where different putative class members had fundamentally different objectives, with some seeking larger immediate payments and persons as-yet-unharmed seeking assurance of a larger future fund for such later time, if any, as their injuries materialized. They complain that the Settlement Agreement's terms reveal inadequate representation of "part of the class," by "prejudice[ing] the unregistered owners to the benefit of registered owners." (Br. 26). That attack, and the resulting complaint that the Court should have certified subclasses with unregistered owners as class representatives, reflect a fundamental misunderstanding of fact and law.

First, and dispositively, there is no conflict at all between the named plaintiffs and freelance authors holding C claims (for unregistered work), much less a conflict sufficiently "fundamental" to defeat adequacy, because there are not different categories of freelance authors but only a single category of writers who have written both registered and unregistered works.

* * *

Second, at the threshold, because there was no alternative here to having the named plaintiffs, with works in all three categories, represent authors with unregistered works. No named plaintiff did – and no person intervening as a named plaintiff to serve as a class representative *could* – assert claims only for unregistered works. Because the Copyright Act confers jurisdiction over suits for infringement of United States works only if those works are registered – and requires every infringement plaintiff to allege registration – the district court would have lacked subject matter jurisdiction over any complaint for infringement of articles in U.S. newspapers and periodicals filed by a person whose "claims" all involved unregistered works. 17 U.S.C. § 411(a); *Morris v. Business Concepts Inc.*, 259 F.3d 65, 68 (2d Cir. 2001). No plaintiff could have sued over only unregistered works, and no freelance author who did not allege infringement of at least one registered work could have intervened to represent such a subclass.

* * *

The same reasons addressed above for concluding that no fundamental conflict was implied or created by different payment schedules for registered works (categories A and B) and unregistered works (category C) compel that same conclusion with respect to the differences between payment schedules for late-registered (B) works and unregistered (C) works. That the settlement agreement provides greater compensation for registered work (which would have

survived a motion to dismiss) than for unregistered work (which would not), and greater compensation still for work eligible for statutory damages, reflects the kind of compromise that settlements entail – *i.e.*, simple settlement value – and not any inherent or structural conflict between different categories of claimants rendering a conclusion of adequate representation an abuse of discretion. In view of the registration requirement of 17 U.S.C. §411(a), the risks plaintiffs faced with respect to including claims for such works in any certified class, or of such works being subject even to (economically practicable) individual suits, were obviously enormously greater than the risks they faced with respect to B category works, justifying lower payments. *In re Paine Webber Ltd. P'ship. Litig.*, 171 F.R.D. 104 (S.D.N.Y.), *aff'd*, 117 F.3d 721 (2d Cir. 1997). Further, objectors ignore that the awards for unregistered works are effectively worth an additional $30 per work, since authors will have avoided the registration fee that is ordinarily a precondition to any infringement suit.

B. Category C Claims

Objectors' remaining theory of a conflict requiring separate representation for authors of unregistered works (notwithstanding their inattention to the showing that the registration requirement precluded any subclass representatives for such authors) is what they term the "C reduction," under which, *if* sufficient valid claims of sufficient value were asserted to take the prima facie settlement amount

upward of $18 million, then claims for unregistered works (C claims) would be ratcheted down to hold the Settlement Amount at the guaranteed $18 million maximum.

* * *

17 U.S.C. § 411 is the answer to objectors' question (Br. 30-31), "If they believed there was no chance of a reduction, why did they place the entire risk on one part of the class?" – although the question needs rephrasing to accord with the fact that the risk was placed not "on one part of the class" but on unregistered works of all class members. Because only registered (and no unregistered) works would have been eligible for relief had the case been litigated and plaintiffs prevailed, the class representatives concluded that it would be unfair to place the burden of any necessary reduction anywhere else. Having paid for registration precisely so as to be eligible for seeking damages, owners of registered works seemed entitled, in fairness, not to bear the burden of any "C reduction" if, contrary to all expectation, one were ever triggered. A 1447. *See In re Paine Webber, supra.*

* * *

II. THE DISTRICT COURT DID NOT ABUSE ITS DISCRETION, AND WAS CORRECT, IN APPROVING THE SETTLEMENT AS FAIR, REASONABLE, AND ADEQUATE

* * *

A. The Process Effectively Guaranteed the Fairness, Reasonableness, and Adequacy of the Settlement Agreement

* * *

Content providers participating in the mediation, including the Copley Press, Knight-Ridder, Inc., The New York Times Company, Time Inc., and Tribune Company, disclosed comparable information, including, for example, information regarding license fees, the numbers of articles (and such information as existed about numbers of freelance articles) per year; the (generally tiny) percentage of articles that are freelance articles in each publication's database; and expense and revenue for publication archives, if available. Additional information was sought and provided on request. A1567-69, 1688.

Among other matters, information was disclosed to plaintiffs that:

- recent articles (less than 60 days old) were enormously more likely to be accessed than articles of older vintage, demonstrating that the economic value of articles in the database declined sharply after a short period;
- neither licensing revenue, nor users, nor user revenues declined when the publishers

had withdrawn hundreds of thousands of articles from the database (overbroadly, out of an abundance of caution and lack of ability to pinpoint freelance works lacking clear electronic rights), establishing that the genuine economic value of freelance works without adequate rights was $0;

- publishers had begun to routinely obtain electronic rights from freelance authors without *any* corresponding increase in license fees; and
- freelance articles were extremely unlikely to be accessed, much less copied – in one case, by examining the set of nearly 80,000 documents purged (removed) by The New York Times over a 10-month period, one of the largest databases was able to ascertain that only 5% of those documents had been "hit".

A1568-69; *see also* 1469-71.

* * *

APPENDIX A-8

05-5943-cv(L)

COUNSEL TO ARGUE: MICHAEL J. BONI

UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

IRVIN MUCHNICK, ABRAHAM ZALEZNIK, CHARLES SCHWARTZ, JACK SANDS, TODD PITOCK, JUDITH STACEY, JUDITH TROTSKY, CHRISTOPHER GOODRICH, KATHY GLICKEN AND ANITA BARTHOLOMEW,

Objectors-Appellants,

– against –

MICHAEL CASTLEMAN INC., E.L. DOCTOROW, TOM DUNKEL, ANDREA DWORKIN, JAY FELDMAN, JAMES GLEICK, RONALD HYMAN, ROBERT LACEY, RUTH LACEY, PAULA McDONALD, P/K ASSOCIATES, INC., LETTY COTTIN POGREBIN, GERALD POSNER, MIRIAM RAFTERY, RONALD M. SCHWARTZ, MARY SHERMAN, DONALD SPOTO, ROBERT E. TREUHAFT AND JESSICA L. TREUHAFT TRUST, ROBIN VAUGHN, ROBLEY WILSON, MARIE WINN, NATIONAL WRITERS UNION, THE AUTHORS GUILD, INC. AND AMERICAN SOCIETY OF JOURNALISTS AND AUTHORS,

Plaintiffs-Appellees,

THOMSON CORPORATION, DIALOG CORPORATION, GALE GROUP, INC. WEST PUBLISHING COMPANY, INC., DOW JONES & COMPANY, INC., DOW JONES REUTERS BUSINESS INTERACTIVE, LLC, KNIGHT RIDDER INC., KNIGHT RIDDER DIGITAL, MEDIASTREAM, INC., NEWSBANK, INC., PROQUEST COMPANY, REED ELSEVIER INC., UNION-TRIBUNE PUBLISHING COMPANY, NEW YORK TIMES COMPANY, COPLEY PRESS, INC., AND EBSCO INDUSTRIES, INC., AND PARTICIPATING PUBLISHER TRIBUNE COMPANY,

Defendants-Appellees

EDWARD ROEDER,

Appellant,

ON APPEAL FROM THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

CORRECTED BRIEF
FOR PLAINTIFFS-APPELLEES

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* * *

III. THE MEDIATION

* * *

While plaintiffs were confident they could ultimately prevail on the merits, they recognized, of course, that there was risk. The vast majority of works at issue were never registered with the U.S. Copyright Office, and thus the authors of those works arguably lacked standing to sue for copyright infringement. *See* 17 U.S.C. § 411(a); *Morris v. Bus. Concepts, Inc.*, 283 F.3d 502, 505 (2d Cir. 2002). As to the registered works, defendants presented plaintiffs with colorable defenses against liability, including the existence of oral and implied-in-fact licenses, and claim bars based on estoppel, acquiescence and laches. (A1469.) Although the decision in *Tasini* removed one defense advanced by the defendants, *i.e.*,

that the "revision" provision in Section 201(c) of the Copyright Act, 17 U.S.C. § 201(c), encompassed the electronic reproduction of freelance articles contained in collective works, it did not remove other defenses.

Nor did *Tasini* address the issue of damages. Plaintiffs here faced substantial difficulty establishing damages. First, infringements of the overwhelming majority of works at issue might have gone completely uncompensated because they were not registered.

* * *

ARGUMENT

* * *

II. THE DISTRICT COURT DID NOT ABUSE ITS DISCRETION IN APPROVING THE SETTLEMENT.

A. Plaintiffs Were Adequate Class Representatives.

* * *

With respect to the plan of allocation, less favorable treatment for Category C claims is appropriate. Unregistered works arguably would not even confer standing to bring a lawsuit at all, let alone give rise to statutory damages. Thus, if this action had been pursued to a favorable verdict and affirmed on appeal, Category C claimants could well have ended up with nothing, as opposed to the cash payments they can now claim under the Settlement. *See* 17 U.S.C. § 411(a) (copyright infringement action may not be brought unless pre-registration or

registration of copyright has been made); *Morris v. Bus. Concepts, Inc.*, 283 F.3d 502, 505 (2d Cir. 2002) (registration of copyright in a collective work does not constitute registration of copyright in a freelance article contained in the collective work).

It is appropriate to tailor plans of allocation to reflect the relative strengths and weaknesses of subsets of classes. "[W]hen real and cognizable differences exist between the likelihood of ultimate success for different plaintiffs, it is appropriate to weigh distribution of the settlement . . . in favor of plaintiffs whose claims comprise the set that was more likely to succeed." *In re PaineWebber Limited Partnerships Litigation*, 171 F.R.D. 104, 133 (S.D.N.Y. 1997) (internal quotation marks and citations omitted), *aff'd*, 117 F.3d 721 (2d Cir. 1997); *accord In re Holocaust Victim Assets Litig.*, 413 F.3d 183 (2d Cir. 2001) (per curiam) ("Any allocation of a settlement of this magnitude and comprising such different types of claims must be based, at least in part, on the comparative strengths and weaknesses of the asserted legal claims."); *In re Lucent Techs. Inc. Sec. Litig.*, 307 F. Supp.2d 633, 649 (D. N.J. 2004) ("Courts have routinely approved plans of allocation that provide different payments to class members.").[12]

---

[12] Registration costs $30 per work, or $30 per group of works registered together in any one year. (A1597.) Thus, the expense borne by authors of registered works is another reason in support of a plan of allocation that favors registered works.

The Settlement fairly reflects the value of those claims eligible for statutory damages, which was greater than for those works registered later, and much greater than for those that were never registered. Providing for the reduction of Category C claims before reducing Categories A and B claims is neither arbitrary nor prejudicial. (App. Br. 16.) Rather, ***not*** treating the claims differently would have been unfair to those authors, however few, who did register their works and who arguably alone would have standing to sue and in some cases seek statutory damages.

* * *

APPENDIX A-9

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February 12, 2007

BY HAND

Thomas Asreen, Acting Clerk of Court
U.S. Court of Appeals for the Second Circuit
Daniel Patrick Moynihan United States Courthouse
500 Pearl Street
New York, New York 10007

Re: *In re Literary Works in Electronic Databases Copyright Litigation*, 05-5943-cv (2d Cir.)

Dear Mr. Asreen:

I write on behalf of defendants-appellees to address the question posed by the Court's January 31, 2007 Order, namely "whether the District Court had subject matter jurisdiction over claims concerning the infringement of unregistered copyrights." Please provide this response to the panel assigned to the above-captioned case.

1. With respect, we are constrained to rephrase the question, because the question posed implicitly

assumes that the District Court exercised "subject matter jurisdiction over claims concerning the infringement of unregistered copyrights." We do not understand that the District Court did so. Rather, it asserted jurisdiction over a lawsuit in which each and every claim of each and every named plaintiff concerned a properly registered work, consistent with 17 U.S.C. §411(a), and then exercised its power to approve a class action settlement pursuant to Fed. R. Civ. P. 23(e), as to which §411(a) plays no role.

17 U.S.C. §411(a) is phrased and has been understood as a pre-condition to the exercise of subject matter jurisdiction conferred by 28 U.S.C. §1338. *See Well-Made Toy Mfg. Corp. v. Goffa Int'l Corp.*, 354 F.3d 112, 115 (2d Cir. 2003). It provides that "no action for infringement of the copyright in any United States copyright work shall be instituted until . . . registration of the copyright claim has been made in accordance with this title." That requirement was literally and completely satisfied here. The actions in the District Court were not instituted until registration of the works named in suit was made in accordance with §411(a).

* * *

Very truly yours,

By: /s/ Charles S. Sims
Charles S. Sims
Counsel for Defendants-Appellees

APPENDIX A-10

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February 15, 2007

Via Federal Express

Thomas Asreen, Acting Clerk of the Court
United States Court of Appeals for the Second Circuit
Daniel Patrick Moynihan United States Courthouse
500 Pearl Street
New York, NY 10007

Re: *In re Literary Works in Electronic Databases Copyright Litigation* 05-5943-cv (2d Cir.)

Dear Mr. Asreen:

I am counsel of record for plaintiffs-appellees. We have reviewed the letter submission defendants-appellees filed on February 12, 2007 in response to

the Court's Order dated January 31, 2007, and plaintiffs-appellees join in that letter submission.

Sincerely yours,

By: /s/ Michael J. Boni
Michael J. Boni

MJB/dp

cc: Charles S. Sims, Esquire
Charles Chalmers, Esquire
Counsel of Record

APPENDIX A-11

05-5943-cv(L),
06-0223-cv(CON)

IN THE
United States Court of Appeals
FOR THE SECOND CIRCUIT

IN RE LITERARY WORKS IN ELECTRONIC DATABASES COPYRIGHT LITIGATION

IRVIN MUCHNICK, ABRAHAM ZALEZNIK, CHARLES SCHWARTZ, JACK SANDS, TODD PITOCK, JUDITH STACEY, JUDITH TROTSKY, CHRISTOPHER GOODRICH, KATHY GLICKEN and ANITA BARTHOLOMEW,

Objectors-Appellants,

– against –

THOMSON CORPORATION, DIALOG CORPORATION, GALE GROUP, INC. WEST PUBLISHING COMPANY, INC., DOW JONES & COMPANY, INC., DOW JONES REUTERS BUSINESS INTERACTIVE, LLC, KNIGHT RIDDER INC., KNIGHT RIDDER DIGITAL, MEDIASTREAM, INC., NEWSBANK, INC., PROQUEST COMPANY, REED ELSEVIER INC., UNION-TRIBUNE PUBLISHING COMPANY, NEW YORK TIMES COMPANY, COPLEY PRESS, INC., EBSCO INDUSTRIES, INC., and PARTICIPATING PUBLISHER TRIBUNE COMPANY,

Defendants-Appellees,

MICHAEL CASTLEMAN INC., E.L. DOCTOROW, TOM DUNKEL, ANDREA DWORKIN, JAY FELDMAN, JAMES GLEICK, RONALD HYMAN, ROBERT LACEY, RUTH LACEY, PAULA MCDONALD, P/K ASSOCIATES, INC., LETTY COTTIN POGREBIN, GERALD POSNER, MIRIAM RAFTERY, RONALD M. SCHWARTZ, MARY SHERMAN, DONALD SPOTO, ROBERT E. TREUHAFT and JESSICA L. TREUHAFT TRUST, ROBIN VAUGHN, ROBLEY WILSON, MARIE WINN, NATIONAL WRITERS UNION, THE AUTHORS GUILD, INC. and AMERICAN SOCIETY OF JOURNALISTS AND AUTHORS,

Plaintiffs-Appellees,

EDWARD ROEDER,

Appellant.

ON APPEAL FROM THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK

DEFENDANTS-APPELLEES' PETITION FOR PANEL REHEARING AND SUGGESTION FOR REHEARING *IN* [sic] *BANC*

CHARLES S. SIMS
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Attorneys for Defendant-Appellee Reed Elsevier, Inc.

(Additional counsel continued on inside cover)

---

* * *

ARGUMENT

REHEARING IS WARRANTED BECAUSE THE OPINION IGNORED AND CONFLICTS WITH CIRCUIT AND SUPREME COURT PRECEDENT, AND THE APPEAL PRESENTS QUESTIONS OF EXCEPTIONAL IMPORTANCE

* * *

B. The Opinion Misapprehends the Import and Purpose of Section 411(a) of the Copyright Act

The "law of releases" canvassed above demonstrates the error in the Opinion, *unless* § 411(a) is an exception to the general rule permitting courts to approve class action settlements that release and compensate claims outside their jurisdiction.

* * *

The court below did not assume jurisdiction to adjudicate infringement claims or grant damages regarding unregistered works – powers that defendants agree the court lacked. Rather, the court dispatched to mediation a lawsuit in which each claim of the named plaintiffs complied with § 411(a) because, when the case was "institute[d]" in 2000, every U.S. work whose infringement plaintiffs complained of had been duly registered.

* * *

Four years after institution, the parties presented a proposed settlement in which, to resolve the

claims within the court's clear jurisdiction, defendants would provide payments to (and obtain releases from) a class of freelance authors. The court approved the settlement and certified the requested class of authors (JA1726) after reviewing the settlement for fairness and reasonableness under Rule 23(e). The court did not adjudicate any infringement claims, much less certify a "class consisting of claims" for unregistered works, but simply approved a private contractual settlement as fair and reasonable. Neither approval of the settlement nor the concomitant certification of the class were the "institution" of an "action for infringement of the copyright." That happened five years earlier, in compliance with §411(a).

* * *

AO 121 (6/90)

APPENDIX B

TO:	**REPORT ON THE FILING OR DETERMINATION OF AN ACTION OR APPEAL REGARDING A COPYRIGHT**
Register of Copyrights **Copyright Office** **Library of Congress** **Washington, D.C. 20559**	

In compliance with the provisions of 17 U.S.C. 508, you are hereby advised that a court action or appeal has been filed on the following copyright(s):

☐ ACTION ☐ APPEAL		COURT NAME AND LOCATION
DOCKET NO.	DATE FILED	
PLAINTIFF		DEFENDANT

COPYRIGHT REGISTRATION NO.	TITLE OF WORK	AUTHOR OR WORK
1		
2		
3		
4		
5		

In the above-entitled case, the following copyright(s) have been included:

DATE INCLUDED	INCLUDED BY ☐ Amendment ☐ Answer ☐ Cross Bill ☐ Other Pleading	
COPYRIGHT REGISTRATION NO.	**TITLE OF WORK**	**AUTHOR OF WORK**
1		
2		
3		

In the above-entitled case, a final decision was rendered on the date entered below. A copy of the order or judgment together with the written opinion, if any, of the court is attached.

COPY ATTACHED ☐ Order ☐ Judgment	WRITTEN OPINION ATTACHED ☐ Yes ☐ No	DATE RENDERED

CLERK	(BY) DEPUTY CLERK	DATE

DISTRIBUTION:

1) Upon initiation of action, mail copy to Register of Copyrights

2) Upon filing of document adding copyright(s), mail copy to Register of Copyrights

3) Upon termination of action, mail copy to Register of Copyrights

4) In the event of an appeal, forward copy to Appellate Court

5) Case File Copy

Appendix C
Federal Court Opinions Explicitly Referring to 17 U.S.C. § 411(a) as Jurisdictional

This appendix lists more than 200 federal-court opinions issued since enactment of 17 U.S.C. § 411(a); all of these opinions explicitly refer to Section 411(a) as jurisdictional. The list draws from cases cited in chapter 17 of WILLIAM F. PATRY, PATRY ON COPYRIGHT (2009), supplemented by a modest database search; the appendix does not attempt to list every opinion describing Section 411(a) as jurisdictional.

To demonstrate the breadth of the historical record, the appendix includes both published and unpublished opinions; the lack of a formal reporter indicates an unpublished opinion. Parentheticals highlight key phrases used in each opinion but, for brevity, do not attempt to capture more extensive discussions. The cases consider Section 411(a) in a wide variety of contexts, so the holdings do not all rest on jurisdictionality. All of these opinions, however, expressly recognize Section 411(a) as jurisdictional.

Court of Appeals for the First Circuit

1. *Data General Corp. v. Grumman Systems Support Corp.*, 36 F.3d 1147, 1163 (1st Cir. 1994) ("jurisdictional requirement of Section 411(a)").

2. *Torres-Negrón v. J&N Records, LLC*, 504 F.3d 151, 154 (1st Cir. 2007) ("complete [registration] application is a jurisdictional prerequisite to

filing suit in federal court for copyright infringement").

District of Maine

3. *Morgan, Inc. v. White Rock Distilleries, Inc.*, 230 F. Supp. 2d 104, 107 (D. Me. 2002) ("copyright registration is a jurisdictional prerequisite").

District of Massachusetts

4. *Quincy Cablesystems, Inc. v. Sully's Bar, Inc.*, 650 F. Supp. 838, 850-51 (D. Mass. 1986) (lack of registration created "jurisdictional defects" in copyright claim).

5. *Lotus Development Corp. v. Paperback Software International,* 740 F. Supp. 37, 79 (D. Mass. 1990) (Section 411(a) is a "jurisdictional" condition precedent).

6. *Steele v. Turner Broadcasting System, Inc.*, 607 F. Supp. 2d 258, 264 (D. Mass. 2009) (to the extent that plaintiff maintains that unregistered works have been infringed, "this Court lacks jurisdiction over such claims").

District of New Hampshire

7. *Embassy Software Corp. v. eCopy, Inc.*, 592 F. Supp. 2d 225, 226 (D.N.H. 2009) ("this court's jurisdiction requires the existence of a valid copyright registration").

District of Puerto Rico

8. *Negrón v. Rivera,* 433 F. Supp. 2d 204 (D.P.R. 2006) ("A valid copyright registration is a jurisdictional prerequisite for maintaining a copyright infringement action under the Copyright Act of 1976, as amended") (citations omitted), *aff'd,* 504 F.3d 151 (1st Cir. 2007).

9. *Ocasio v. Alfanno,* 592 F. Supp. 2d 242, 244 (D.P.R. 2008) ("jurisdictional prerequisite").

10. *Sebastian Music Group, Inc. v. Ayala-Rodriguez,* Civ. No. 07-1436, 2008 WL 919683, at *3 (D.P.R. Apr. 3, 2008) ("jurisdictional prerequisites").

11. *Amador v. McDonald's Corp.,* Civ. No. 07-1312, 2008 WL 5683885, at *10 (D.P.R. Dec. 5, 2008) ("In order to satisfy the jurisdictional prerequisites for an infringement action, registration with the Copyright Office is a must."), *adopted in relevant part, rejected in part,* 601 F. Supp. 2d 403 (D.P.R. 2009).

12. *Amador v. Sears Roebuck de Puerto Rico, Inc.,* Civ. No. 08-1581, 2009 WL 1076303, at *1 (D.P.R. Apr. 21, 2009) ("Under 17 U.S.C. § 411(a), copyright registration is a necessary jurisdictional predicate to a claim for infringement.").

District of Rhode Island

13. *Forasté v. Brown University,* 248 F. Supp. 2d 71, 76 (D.R.I. 2003) ("registration is a condition precedent and a jurisdictional prerequisite to the filing of an infringement action").

Court of Appeals for the Second Circuit

14. *Morris v. Business Concepts, Inc.*, 259 F.3d 65, 72 (2d Cir. 2001) ("subject matter jurisdiction was lacking because the registration requirement of § 411(a) was not satisfied in this case"), *amended on other grounds*, 283 F.3d 502 (2d Cir. 2002).

15. *Well-Made Toy Manufacturing Corp. v. Goffa International Corp.*, 354 F.3d 112, 115 (2d Cir. 2003) ("This registration requirement is jurisdictional.").

16. *Boone v. Jackson*, 206 F. App'x 30, 31 n.1 (2d Cir. 2006) (411(a) "provid[es] no federal jurisdiction over an infringement action" until after registration).

17. *In re Literary Works in Electronic Databases Copyright Litigation*, 509 F.3d 116, 122 (2d Cir. 2007) ("we again conclude that section 411(a)'s registration requirement limits a district court's subject matter jurisdiction to claims arising from registered copyrights only"), *cert. granted sub nom. Reed Elsevier, Inc. v. Muchnick*, 129 S. Ct. 1523 (2009).

District of Connecticut

18. *Frontier Group, Inc. v. Northwest Drafting & Design, Inc.*, 493 F. Supp. 2d 291, 301 (D. Conn. 2007) ("This registration requirement is jurisdictional.").

Eastern District of New York

19. *Goldberg v. "Doe,"* No. CV-85-4293, 1987 WL 4849, at *2 (E.D.N.Y. April 29, 1987) ("Since plaintiff concedes that he did not register his copyright prior to commencing this action, the Court lacks jurisdiction to adjudicate his claims.").

20. *Capitol Records, Inc. v. Wings Digital Corp.*, 218 F. Supp. 2d 280, 283-84 (E.D.N.Y. 2002) (granting 12(b)(1) motion to dismiss claims that had not satisfied Section 411(a) because of "lack of subject matter jurisdiction.").

21. *Well-Made Toy Manufacturing Corp. v. Goffa International Corp.*, 210 F. Supp. 2d 147, 157 (E.D.N.Y. 2002) ("jurisdictional prerequisite"), *aff'd*, 354 F.3d 112 (2d Cir. 2003).

22. *AMC Film Holdings LLC v. Rosenberg*, No. 03CV3835, 2005 WL 2105792, at *2 (E.D.N.Y. Aug. 31, 2005) ("This registration requirement is jurisdictional.").

23. *BMG Music v. Pena*, No. 05 CV 2310, 2007 WL 2089367, at *2 (E.D.N.Y. July 19, 2007) ("Registration of copyright is a jurisdictional prerequisite to bringing a copyright infringement suit in federal court.").

Northern District of New York

24. *Bartell v. Onbank*, No. 95-CV-1807, 1996 WL 421189, at *3 (N.D.N.Y. July 19, 1996) (denying motion to dismiss for "lack of subject matter jurisdiction" on condition that plaintiffs file

amended complaint reflecting registration numbers).

25. *Ogindo v. DeFleur,* No. 07-CV-1332, 2008 WL 5105153, at *6 (N.D.N.Y. Oct. 16, 2008) (raising question of subject-matter jurisdiction *sua sponte* and dismissing copyright claim for lack of jurisdiction because plaintiff failed to allege registration of his works), *reconsideration denied,* 2008 WL 5105157, at *1 (N.D.N.Y. Dec. 1, 2008) (reiterating jurisdictional nature of Section 411).

Southern District of New York

26. *Frankel v. Stein & Day, Inc.,* 470 F. Supp. 209, 212 n.2 (S.D.N.Y. 1979), *aff'd mem.,* 646 F2d 560 (2d Cir. 1980) (under Section 411, a "question arises as to the court's jurisdiction over this action.").

27. *Conan Properties, Inc. v. Mattel, Inc.,* 601 F. Supp. 1179, 1182 (S.D.N.Y. 1984) ("Although recitation of the fact that copyrights have been registered appears to be a mere technicality, it is a prerequisite to this court's jurisdiction.").

28. *Techniques, Inc. v. Rohn,* 592 F. Supp. 1195, 1197 (S.D.N.Y. 1984) ("Pursuant to 17 U.S.C. § 411(a) as well as its predecessor, § 13, it has been held repeatedly that ownership of a copyright Registration is a jurisdictional prerequisite to an action for infringement.").

29. *Tooker v. Copley,* No. 86 Civ. 6210, 1987 WL 124315, at *1 (S.D.N.Y. Mar. 24, 1987) ("Adherence to [§ 411(a)] is a prerequisite to federal subject matter jurisdiction.").

30. *Siskind v. Newton-John,* No. 84 Civ. 2634, 1987 WL 11701, at *4 (S.D.N.Y. May 22, 1987) ("This requirement is jurisdictional.").

31. *Demetriades v. Kaufmann,* 680 F. Supp. 658, 661 (S.D.N.Y. 1988) ("Receipt of an actual certificate of registration or denial of same is a jurisdictional requirement. . . .").

32. *Kenbrooke Fabrics, Inc. v. Soho Fashions, Inc.,* 690 F. Supp. 298, 299 (S.D.N.Y. 1988) ("jurisdictional prerequisites").

33. *Hudson's Bay Co. of New York, Inc. v. Seattle Fur Exchange, Inc.,* 15 U.S.P.Q.2d 1316, 1317 (S.D.N.Y. 1990) ("Section 411(a) of the Copyright Act clearly and unambiguously requires that the copyright office make a determination regarding registration before a . . . court has jurisdiction over an infringement action.").

34. *Kelly v. L.L. Cool J,* 145 F.R.D. 32, 37 n.6 (S.D.N.Y. 1992) ("jurisdictional prerequisite"), *aff'd mem.,* 23 F.3d 398 (2d Cir. 1994).

35. *Greenwich Film Productions S.A. v. DRG Records, Inc.,* 25 U.S.P.Q.2d 1435, 1438 (S.D.N.Y. 1992) ("Absent such registration, courts cannot exercise jurisdiction and the claim must be dismissed.").

36. *Reid v. ASCAP,* No. 92 Civ. 270, 1994 WL 3409, at *2 (S.D.N.Y. Jan. 5, 1994) ("jurisdictional defect").

37. *Carter v. Helmsley-Spear, Inc.,* 861 F. Supp. 303, 331 (S.D.N.Y. 1994) ("Because proper registration is a prerequisite to an infringement suit, this Court is without jurisdiction to decide plaintiffs' claim that defendants have infringed their copyright in the Work."), *aff'd in part, rev'd in part on other grounds,* 71 F.3d 77 (2d Cir. 1995).

38. *Geritrex Corp. v. Dermarite Industries, LLC,* 910 F. Supp. 955, 966 (S.D.N.Y. 1996) (without registration, "this court is without jurisdiction to decide plaintiff's claim for copyright infringement").

39. *Ernst Haas Studio, Inc. v. Palm Press, Inc.,* 44 U.S.P.Q.2d 1475, 1477 (S.D.N.Y. 1997) ("jurisdictional prerequisite"), *aff'd per curiam,* 164 F.3d 110 (2d Cir. 1999).

40. *Boyle v. Stephens, Inc.,* No. 97 Civ. 1351, 1997 WL 529006, at *3 (S.D.N.Y. Aug. 26, 1997) ("District courts are without subject matter jurisdiction to hear claims for federal copyright infringement unless a plaintiff asserts in his pleadings that he has received an actual certificate of registration or its denial from the Copyright Office"), *aff'd,* 21 F. App'x 76 (2d Cir. 2001).

41. *J. Racenstein & Co. v. Wallace,* No. 96 Civ. 9222, 1997 WL 605107, at *1 (S.D.N.Y. Oct. 1, 1997) ("Where there is no registration, a federal

district court lacks subject matter jurisdiction to hear claims for infringement arising under the Copyright Act.").

42. *Noble v. Town Sports International, Inc.*, No. 96 Civ. 4257, 1998 WL 43127, at *2 (S.D.N.Y. Feb. 2, 1998) (dismissing for "lack of federal subject matter jurisdiction" because registration certificate had not been issued).

43. *Gillespie v. AST Sportswear, Inc.*, No. 97 Civ. 1911, 1998 WL 289681, at *2 (S.D.N.Y. June 4, 1998) ("Absent proper registration of the materials at issue, this Court lacks jurisdiction over a claim of copyright infringement.").

44. *Tuff-N-Rumble Management, Inc. v. Sugarhill Music Publishing Inc.*, 49 F. Supp. 2d 673, 677 (S.D.N.Y. 1999) ("Thus, district courts are without subject matter jurisdiction to hear claims for federal copyright infringement unless a party asserts in his pleadings that he has received an actual certificate of registration or its denial from the Copyright Office.").

45. *IBS Ketel, Ltd. v. Hanil Bank, Korea*, No. 98 Civ. 3507, 1999 WL 639696, at *2 (S.D.N.Y. Aug. 23, 1999) ("a district court lacks subject matter jurisdiction unless a plaintiff alleges in the pleadings that the Copyright Office issued a certificate of registration or denied plaintiff's application for such a certificate").

46. *Yurman Design Inc. v. Chaindom Enterprises, Inc.*, 53 U.S.P.Q.2d 1590, 1594 (S.D.N.Y. 1999) ([T]he Court does not have jurisdiction over Chaindom's claim for copyright infringement

because Chaindom has submitted an application but has not yet received a certificate of registration or a denial from the Copyright Office."), *aff'd*, 4 F. App'x 48 (2d Cir. 2001).

47. *Lennon v. Seaman*, 84 F. Supp. 2d 522, 524 (S.D.N.Y. 2000) ("jurisdictional prerequisite").

48. *Vapac Music Publishing, Inc. v. Tuff 'N' Rumble Management*, 55 U.S.P.Q.2d 1763, 1765 (S.D.N.Y. 2000) ("'Registration, or attempted registration, with the Copyright Office . . . is the requirement for establishing federal subject matter jurisdiction.'") (quoting precedents).

49. *City Merchandise, Inc. v. Kings Overseas Corp.*, No. 99 Civ. 10456, 2001 WL 286724, at *2 (S.D.N.Y. Mar. 23, 2001) ("It is well settled that the court lacks subject matter jurisdiction unless the claimant has a registration or its registration has been refused.").

50. *Hanft Byrne Raboy & Partners Inc. v. Matsushita Electric Corp. of America*, No. 00 Civ. 2990, 2001 WL 456346, at *3 (S.D.N.Y. May 1, 2001) ("jurisdictional prerequisite").

51. *Archie Comic Publications, Inc. v. DeCarlo*, No. 00 Civ. 5686, 2001 WL 831250, at *1 (S.D.N.Y. July 23, 2001) ("The amended counterclaims nowhere allege that plaintiff has obtained certificates of registration for the allegedly infringed copyrights. Accordingly, the Court lacks jurisdiction over the subject matter of the fifth and sixth counterclaims.").

52. *U-Neek, Inc. v. Wal-Mart Stores, Inc.*, 147 F. Supp. 2d 158, 159 (S.D.N.Y. 2001) ("It is well

settled that the court lacks subject matter jurisdiction unless the claimant has a registration or its registration has been denied.").

53. *McBride v. The Source Merchandising, LLC*, No. 01 Civ. 8103, 2002 WL 2012610, at *3 (S.D.N.Y. Sept. 3, 2002) ("Further, plaintiffs cannot bring this action under federal question jurisdiction. An action for federal copyright infringement does not lie until the copyrighted material has been registered. *See* 17 U.S.C. § 411(a).").

54. *Corbis Corp. v. UGO Networks, Inc.*, 322 F. Supp. 2d 520, 521, 522 (S.D.N.Y. 2004) (dismissing infringement claims because the "Court lacks subject matter jurisdiction" over claims that fail to meet the "jurisdictional prerequisites" of Section 411(a)).

55. *Greene v. Columbia Records/Sony Music Entertainment Inc.*, No. 03 Civ. 4333, 2004 WL 3211771, at *3 (S.D.N.Y. Mar. 1, 2004) ("plain language of Section 411(a) indicates that a federal district court lacks subject matter jurisdiction").

56. *I.M.S. Inquiry Management Systems, Ltd. v. Berkshire Information Systems, Inc.*, 307 F. Supp. 2d 521, 526 (S.D.N.Y. 2004) ("The registration requirement is jurisdictional; a lack of registration bars an infringement claim.").

57. *Tabachnik v. Dorsey*, 04 Civ. 9865, 2005 U.S. Dist. LEXIS 14267, at *10-*11 (S.D.N.Y. July 15, 2005) (dismissing complaint "for lack of subject matter jurisdiction" because absent registration,

the court "lacked jurisdiction"), *aff'd,* 257 F. App'x 409 (2d Cir. 2007).

58. *Kenny v. Ryan Web Solution, LLC,* No. 05 Civ. 0727, 2005 WL 1719878, at *1 (S.D.N.Y. July 22, 2005) (permitting amended complaint to cure "jurisdictional defect" of lack of registration that had prompted court to dismiss for "lack of subject matter jurisdiction").

59. *eScholar, LLC v. Otis Educational Systems, Inc.,* 76 U.S.P.Q.2d 1880, 1887 (S.D.N.Y. 2005) ("A valid copyright [registration] is a prerequisite for subject matter jurisdiction.").

60. *Caldwell v. Rudnick,* No. 05 Civ. 7382, 2006 WL 2109454, at *2 (S.D.N.Y. July 26, 2006) ("a plaintiff's failure to register a copyright before bringing an infringement action requires dismissal on jurisdictional grounds").

61. *Richard Feiner & Co. v. New York Times Co.,* No. 07 Civ. 11218, 2008 WL 2963550, at *2 (S.D.N.Y. Aug. 1, 2008) ("'Copyright registration is a jurisdictional prerequisite to an infringement suit.'") (quoting precedent).

62. *Muniz v. Morillo,* No. 06 Civ. 6570, 2008 WL 4219073, at *3 (S.D.N.Y. Sept. 10, 2008) ("a district court does not have subject matter jurisdiction over an infringement claim until the Copyright Office either issues a certificate of registration or rejects the application").

63. *Eyal R.D. Corp. v. Jewelex New York, Ltd.,* 576 F. Supp. 2d 626, 633 (S.D.N.Y. 2008) ("in the absence of a valid copyright registration the

Court lacks subject matter jurisdiction over an action for infringement").

64. *Goffe v. Winfrey,* No. 08 Civ. 8653, 2008 WL 4787515 at *1 (S.D.N.Y. Oct. 31, 2008) ("without a properly registered copyright, this Court must dismiss any claims brought under 17 U.S.C. § 501 for lack of jurisdiction") (raising jurisdictional and pleading issues *sua sponte*).

65. *R.F.M.A.S., Inc. v. So,* 619 F. Supp. 2d 39, 51 (S.D.N.Y. 2009) ("barring some applicable exception, the absence of a valid copyright registration divests the Court of subject matter jurisdiction over an action for copyright infringement").

66. *Business Management International, Inc. v. Labyrinth Business Solutions, LLC*, No. 05 Civ. 6738, 2009 WL 790048, at *11 (S.D.N.Y. Mar, 24, 2009) ("This registration requirement limits a district court's subject-matter jurisdiction to claims arising from registered copyrights. . . .").

67. *DO Denim, LLC v. Fried Denim, Inc.*, No. 08 Civ. 10947, 2009 U.S. Dist. LEXIS 51512, at *8 (S.D.N.Y. June 17, 2009) ("[t]he plain language of the statute compels dismissal of Plaintiff's copyright claims for lack of subject matter jurisdiction" when the claims rest on unregistered works).

68. *Simplexgrinnell LP v. Integrated Systems & Power, Inc.*, No. 07 Civ. 2700, 2009 U.S. Dist. LEXIS 64684, at *18 (S.D.N.Y. July 27, 2009) ("the Court is without jurisdiction over claims of infringement in unregistered works").

Western District of New York

69. *Toms v. Pizzo,* 4 F. Supp. 2d 178, 185 (W.D.N.Y. 1998) ("jurisdictional prerequisite"), *aff'd mem.,* 172 F.3d 38 (2d Cir. 1998).

Court of Appeals for the Third Circuit

70. *Raquel v. Education Management Corp.,* 196 F.3d 171, 176, 180 (3d Cir. 1999) (affirming dismissal for "lack of subject matter jurisdiction" because of failure to satisfy "jurisdictional requirement of 17 U.S.C. § 411(a)"), *vacated and remanded on other grounds,* 531 U.S. 952 (2000).

District of Delaware

71. *SportsMEDIA Technology Corp. v. Upchurch,* 839 F. Supp. 8, 9 (D. Del. 1993) ("jurisdictional defect").

District of New Jersey

72. *Wellness Publishing v. Barefoot,* Civ. Action No. 02-3773, 2008 WL 108889, at *8 (D.N.J. Jan. 9, 2008) ("The terms of the statute are clear and unambiguous, and its requirements are jurisdictional.").

73. *Mortgage Market Guide, LLC v. Freedman Report, LLC,* Civ. Action No. 06-cv-140-FLW, 2008 WL 2991570, at *14 (D.N.J. July 28, 2008)

("Copyright registration is a jurisdictional prerequisite to bringing an action for infringement under the Copyright Act.").

Eastern District of Pennsylvania

74. *Blue Fish Clothing, Inc. v. Kat Prints,* Civ. Action No. 91-1511, 1991 WL 71113, at *1 (E.D. Pa. Apr. 29, 1991) ("prerequisite to the court's jurisdiction").

75. *Cameron v. Graphic Management Associates, Inc.,* 817 F. Supp. 19, 22 (E.D. Pa. 1992) ("so long as the copyright was registered prior to the filing of the lawsuit, the court has jurisdiction to hear the claim").

76. *Hung Tang v. Ho Yong Hwang,* 799 F. Supp. 499, 503 (E.D. Pa. 1992) ("the registration or the application for copyright registration . . . is a jurisdictional prerequisite to a suit for infringement").

77. *McCormick v. Fugerson,* 34 U.S.P.Q.2d 1735 (E.D. Pa. 1995) ("jurisdictional requirements").

78. *Sungard Data Systems, Inc. v. Devlin,* 37 U.S.P.Q.2d 1190, 1193, 1194 (E.D. Pa. 1995) (referring to "jurisdictional test" and "jurisdictional requirements of 17 U.S.C. Section 411(a)").

79. *Morelli v. Tiffany & Co.,* 186 F. Supp. 2d 563, 565 (E.D. Pa. 2002) ("jurisdictional question").

80. *Zimmer v. CooperNeff Advisors, Inc.*, Civ. Action No. 04-3816, 2004 WL 2933979, at *2 (E.D. Pa. Dec. 20, 2004) ("this Court determined that Zimmer could not satisfy the prerequisites of Section 411(a) of the Copyright Act to maintain his copyright infringement claim" and so "granted CooperNeff's Motion to Dismiss for Lack of Subject Matter Jurisdiction"), *vacated on other grounds*, 523 F.3d 224 (3d Cir. 2008).

Western District of Pennsylvania

81. *Harris v. Morgan*, Civ. Action No. 98-639, 1999 WL 34977892, at *2 (W.D. Pa. Nov. 4, 1999) ("jurisdictional prerequisite" of Section 411(a) prevented court from adjudicating infringement claims based on 99,000 photographic images).

82. *Tegg Corp. v. Beckstrom Electric Co.*, 87 U.S.P.Q.2d 1880, 1885 (W.D. Pa. 2008) ("the Court acknowledges that Plaintiff has obtained copyright registrations from the Copyright Office and is satisfied that it can exercise subject matter jurisdiction over the Plaintiff's copyright infringement claims, if properly pled").

83. *Morgan v. Hanna Holdings, Inc.*, Civ. Action No. 07-803, 2009 WL 1871626, at *3 (W.D. Pa. June 29, 2009) ("This registration requirement is jurisdictional.").

Court of Appeals for the Fourth Circuit

84. *Xoom, Inc. v. Imageline, Inc.*, 323 F.3d 279, 283 (4th Cir. 2003) ("Copyright registration is a jurisdictional prerequisite to bringing an action for infringement under the Copyright Act.").

District of Maryland

85. *Araya v. Latino Publishing, Inc.*, Civ. Action No. AW-00-1571, 2001 WL 436155, at *2 (D. Md. Apr. 20, 2001) ("Without proof of registration, the Court lacks subject matter jurisdiction and will not discuss the merits of Defendants' alternative grounds for dismissal.").

86. *Berlyn, Inc. v. The Gazette Newspapers, Inc.*, 157 F. Supp. 2d 609, 623 (D. Md. 2001) (recognizing "copyright registration as a jurisdictional prerequisite").

87. *Mays & Associates, Inc. v. Euler*, 370 F. Supp. 2d 362, 370 (D. Md. 2005) ("the plain language of the Copyright Act, reflecting sound public policy, requires registration of a copyright or denial of same as jurisdictional prerequisites").

88. *Smoot v. Simmons*, Civ. Action No. RDB 05-3106, 2006 WL 1999203, at *5 (D. Md. July 14, 2006) ("axiomatic" that registration is necessary for subject-matter jurisdiction).

89. *Scholz Design, Inc. v. Zimmerman*, Civ. Action No. DKC 08-1759, 2009 U.S. Dist. LEXIS 62689,

at *10 (D. Md. July 22, 2009) ("in the absence of a copyright registration for the Masco House Special, the court lacks subject matter jurisdiction over Plaintiff's copyright infringement claim").

Middle District of North Carolina

90. *Iconbazaar L.L.C. v. America Online, Inc.*, 308 F. Supp. 2d 630, 632 (M.D.N.C. 2004) ("neither party disputes that registration is a jurisdictional prerequisite").

Western District of North Carolina

91. *Carriker v. A&M Records*, No. 3:96CV476-P, 1997 U.S. Dist. LEXIS 10934, at *1 (W.D.N.C. June 30, 1997) ("Because the pro se Plaintiff failed to show the Court that he has registered the alleged copyrighted works, the Court lacks subject matter jurisdiction over the Plaintiff's claims.").

92. *Pure Country Weavers, Inc. v. Bristar, Inc.*, 410 F. Supp. 2d 439, 443 & *passim* (W.D.N.C. 2006) (addressing registration issue before other challenges because registration is a matter of "subject matter jurisdiction").

District of South Carolina

93. *Miller v. CP Chemicals, Inc.*, 808 F. Supp. 1238, 1241-42 (D.S.C. 1992) (registration is an "essential jurisdictional prerequisite").

Eastern District of Virginia

94. *Young Design, Inc. v. Teletronics International, Inc.*, Civ. Action No. 00-970-A, 2001 WL 35804500, at *12 (E.D. Va. July 31, 2001) ("this Court has subject matter jurisdiction over YDI's copyright infringement action because the derivative work is properly registered").

95. *Balzer & Associates., Inc. v. Union Bank & Trust Co.*, 2009 U.S. Dist. LEXIS 49710, at *10 (E.D. Va. June 15, 2009) ("Because such registration is a 'jurisdictional prerequisite,' *Xoom, Inc*, 323 F.3d at 283, to bringing a suit for infringement and seeking injunctive relief, the Court will grant Defendant's Rule 12(b)(1) Motion to Dismiss Count I for lack of subject matter jurisdiction.").

Court of Appeals for the Fifth Circuit

96. *Creations Unlimited, Inc. v. McCain*, 112 F.3d 814, 816 (5th Cir. 1997) (per curiam) ("registration with the copyright office is a *jurisdictional* prerequisite to filing a copyright infringement suit") (emphasis original).

97. *Positive Black Talk Inc. v. Cash Money Records, Inc.*, 394 F.3d 357, 365 (5th Cir. 2004) ("jurisdictional prerequisite").

98. *Starr v. DaimlerChrysler Corp.*, 252 F. App'x 590, 590 (5th Cir. 2007) (per curiam) ("Registration is a jurisdictional prerequisite to filing an infringement action.").

Eastern District of Louisiana

99. *Makedwde Publishing Co. v. Johnson,* Civ. Action No. 91-0879, 1992 WL 125428, at *1 (E.D. La. May 19, 1992) (Rule 12(b)(1) motion to dismiss for lack of "subject matter jurisdiction" denied "on the condition that . . . plaintiffs file an amended complaint alleging copyright registration in the song, Carnival Time").

100. *Positive Black Talk, Inc. v. Cash Money Records, Inc.*, 66 U.S.P.Q.2d 1468 (E.D. La. 2003) ("It is well-settled that registration with the Copyright Office is a jurisdictional prerequisite to filing a copyright infringement suit.").

101. *Levingston Corp. v. DeWayles Ltd. International,* Civ. Action No. 07-7169, 2008 WL 449843, at *1 (E.D. La. Feb. 13, 2008) ("*jurisdictional* prerequisite") (emphasis original).

Middle District of Louisiana

102. *Trill Entertainment, LLC v. B C D Music Group, Inc.*, Civ. Action No. 07-559-JJB-SCR, 2008 WL 2354424, at *2 (M.D. La. June 9, 2008) ("The Fifth Circuit has consistently held that registration is a 'jurisdictional prerequisite to an infringement claim.' . . . This jurisdictional defect can only be cured by registering the copyright and amending the complaint.") (internal citation omitted).

Western District of Louisiana

103. *McConley v. Boise Building Solutions Manufacturing, L.L.C.*, Civ. Action No. 05-1006-A, 2006 WL 709599, at *4 & n.2 (W.D. La. Mar. 21, 2006) ("jurisdictional defect").

104. *Sartor v. Walters*, No. 06-0011, 84 U.S.P.Q.2d 128, 1281-83 (W.D. La. 2006) ("Registration of a copyright is a jurisdictional prerequisite to filing a copyright infringement suit. 17 U.S.C. § 411(a). . . . Because Sartor failed to register a copyright for the advertisements prior to filing suit, the Court lacks jurisdiction over this claim.").

Southern District of Mississippi

105. *Starr v. DaimlerChrysler Corp.*, Civ. Action No. 2:05CV2107, 2006 WL 2175394, at *2 (S.D. Miss. June 14, 2006) ("The plaintiff does not

even allege that she has either filed a copyright application for her model or received a copyright registration for it. The court is without subject matter jurisdiction to entertain the plaintiff's copyright infringement claim."), *aff'd per curiam*, 252 F. App'x 590 (5th Cir. 2007).

106. *Beau Rivage Resorts, Inc. v. Bel Aire Productions, Inc.*, Civ. Action No. 1:07cv49WJGJMR, 2008 WL 3978097, at *2 (S.D. Miss. Aug. 20, 2008) ("Registration is a jurisdictional prerequisite to filing an infringement action.").

Eastern District of Texas

107. *Powerhouse Productions, Inc. v. Widgery*, No. 4:07-cv-071, 2008 WL 4331428, at *3 (E.D. Tex. Sept. 17, 2008) ("Because, in the absence of such an allegation [of registration], the court lacks subject matter jurisdiction over the Plaintiffs' copyright infringement claim, . . . that claim should be dismissed without prejudice.").

Northern District of Texas

108. *Drake v. Malouf*, Civ. Action No. 3:99-CV-0315-G, 1999 WL 1007642, at *3 (N.D. Tex. Nov. 5, 1999) ("Drake is correct that registration with the copyright office is a jurisdictional prerequisite to filing a copyright infringement claim.").

109. *Isbell v. DM Records, Inc.*, Civ. Action No. 3:02-CV-1408-G, 2004 WL 1243153, at *3 (N.D. Tex. June 4, 2004) ("District courts are without subject matter jurisdiction to hear claims for federal copyright infringement unless a plaintiff asserts in its pleadings facts showing it has satisfied the statutory formalities found in section 411 of Title 17 of the United States Code.").

110. *Busch v. Williams*, Civ. Action No. 3:06-CV-1352-D, 2007 WL 2254939, at *2 (N.D. Tex. Feb. 7, 2007) ("jurisdictional prerequisite").

Southern District of Texas

111. *Emme Bridal Inc. v. Milady Bridals Inc.*, 46 U.S.P.Q.2d 1555, 1561 (S.D. Tex. 1998) ("jurisdictional prerequisite").

112. *Compliance Review Services, Inc. v. Davis-Osuawu*, Civ. Action No. H-04-3635, 2006 WL 3541715, at *1 (S.D. Tex. Dec. 7, 2006) ("jurisdictional prerequisite").

Western District of Texas

113. *Messina v. Hailey*, Civ. Action No. SA-07-CV-0469, 2008 WL 678580, at *1 (W.D. Tex. Mar. 11, 2008) ("jurisdictional prerequisite").

Court of Appeals for the Sixth Circuit

114. *Cawley v. Swearer,* No. 90-1981, 1991 WL 108725, at *2 (6th Cir. June 20, 1991) (per curiam) ("Given Mr. Cawley's failure to comply with the requirements of § 411(a), the district court was without jurisdiction to hear Counts II and III and should have dismissed them without prejudice on that ground.").

115. *Buemi v. Lewis,* No. 94-4156, 1995 WL 149107, at *2 (6th Cir. Apr. 4, 1995) (per curiam) ("Registration is a jurisdictional prerequisite to an infringement suit.").

116. *Murray Hill Publications, Inc. v. ABC Communications, Inc.,* 264 F.3d 622, 632 (6th Cir. 2001) ("jurisdictional requirements").

Eastern District of Kentucky

117. *National Information and Communications Equipment Network Inc. v. Willigan*, Civ. Action No. 06-28-DLB, 2007 WL 2979928, at *10 (E.D. Ky. Oct. 11, 2007) ("Plaintiff's admitted failure to register any of its alleged materials compels the dismissal of its copyright claim . . . without prejudice for lack of subject matter jurisdiction.").

Western District of Kentucky

118. *Kettenburg v. University of Louisville,* Civ. Action No. 3:05CV384 R, 2005 WL 4444100

(W.D. Ky. Nov. 7, 2005) ("jurisdictional prerequisite") (dismissal without any defendant's response or motion noted on docket).

Eastern District of Michigan

119. *Derminer v. Kramer,* 386 F. Supp. 2d 905, 909, 913 (E.D. Mich. 2005) ("Although the parties do not raise the subject matter jurisdiction issues directly, I have a responsibility to do so. . . . I lack subject matter jurisdiction over all claims regarding copyrighted works for which Plaintiff provided no proof of registration. . . .").

120. *Hawaiian Village Computer, Inc. v. Print Management Partners, Inc.,* 501 F. Supp. 2d 951, 954 (E.D. Mich. 2007) ("express language of the statute" requires registration for jurisdiction).

121. *Tenneco Automotive Operating Co. v. Kingdom Auto Parts,* No. 08-CV-10467, 2008 WL 2478317, at *4 (E.D. Mich. June 17, 2008) ("jurisdictional requirement of a registered copyright").

Western District of Michigan

122. *Marshall & Swift v. BS & A Software,* 871 F. Supp. 952, 958 (W.D. Mich. 1994) ("although the defendants have not specifically raised the jurisdictional issue, the court has examined the question and concludes that it lacks jurisdiction over Marshall's claim of infringement").

123. *Dekoven v. Avengelical Press,* No. 4:98-CV-43, 1999 WL 34794967, at *3 (W.D. Mich. May 12, 1999) ("It is undisputed that plaintiff has not registered his copyright. Consequently, this court lacks jurisdiction to entertain plaintiff's claim for copyright infringement.").

124. *Bird Brain, Inc. v. Menard, Inc.,* No. 1:00-CV-514, 2000 WL 35453916, at *5 (W.D. Mich. Aug. 4, 2000) (acknowledging that "this court has previously interpreted Section 411(a) of the Copyright Act as requiring 'registration [as] a jurisdictional prerequisite to the initiation of an infringement action in federal court,'") (internal citation omitted), *order corrected* (Aug. 23, 2000), *order modified* (Oct. 5, 2000).

125. *LaFace Records, LLC v. Does 1-5,* No. 2:07-cv-187, 2008 WL 513508, at *4 (W.D. Mich. Feb. 22, 2008) ("jurisdictional requirement").

Northern District of Ohio

126. *Stainbrook v. Fox Broadcasting Co.,* No. 3:05 CV 7380, 2006 WL 3757643, at *8 (N.D. Ohio Dec. 19, 2006) ("this court does not have jurisdiction over Plaintiff's copyright infringement claim under 17 U.S.C. § 411(a)").

Southern District of Ohio

127. *Ripple Junction Design Co. v. Olaes Enterprises, Inc.,* No. 1:05-CV-43, 2005 WL 2206220, at *5 (S.D. Ohio Sept. 8, 2005) ("Ripple Junction has

not met the condition precedent to filing an infringement suit and the Court does not have jurisdiction over its copyright infringement claims.").

Middle District of Tennessee

128. *Journal Communications, Inc. v. Sabo*, No. 3:07-00605, 2008 WL 821524, at *2 (M.D. Tenn. Mar. 26, 2008) ("The Court agrees that without a registered copyright, this Court lacks jurisdiction to entertain an infringement action.").

129. *Specific Software Solutions, LLC v. Institute of WorkComp Advisors, LLC*, 615 F. Supp. 2d 708, 712 (M.D. Tenn. 2009) ("jurisdictional requirement of registration").

Court of Appeals for the Seventh Circuit

Central District of Illinois

130. *Century Consultants, Ltd. v. Miller Group, Inc.*, No. 03-3105, 2006 WL 1985508, at *3 (C.D. Ill. July 13, 2006) (registration is a "jurisdictional element").

Northern District of Illinois

131. *Weigel Broadcasting Co. v. Topel*, No. 83 C 7921, 1985 WL 2360, at *5 (N.D. Ill. Aug. 21, 1985) ("jurisdictional prerequisite").

132. *Markovitz v. Camiros, Ltd.*, No. 02 C 9403, 2003 WL 21517364, at *2 (N.D. Ill. June 30, 2003) ("Plaintiff's individual work must be registered

in accordance with the Copyright Act for this Court to have proper subject matter jurisdiction.").

133. *Leventhal v. Schenberg,* No. 03 C 8772, 2004 WL 1718512, at *2 (N.D. Ill. July 30, 2004) ("Because Leventhal has failed to allege copyright registration, this Court is without subject matter jurisdiction, and the Complaint must be dismissed under Rule 12(b)(1).").

134. *HyperQuest, Inc. v. N'Site Solutions, Inc.,* 559 F. Supp. 2d 918, 920 (N.D. Ill. 2008) ("Because plaintiff in that case had failed to register the claimed copyright, . . . the federal district court there had no jurisdiction – no power – to adjudicate the substantive copyright issue.").

135. *Kluber Skahan & Associates, Inc. v. Cordogen, Clark & Associates, Inc.,* 90 U.S.P.Q.2d 1560, 1565 (N.D. Ill. 2009) (rejecting defendants' challenge to validity of registration and "retaining jurisdiction").

Northern District of Indiana

136. *Haan Crafts Corp. v. Craft Masters, Inc.,* 683 F. Supp. 1234, 1242 (N.D. Ind. 1988) ("jurisdictional requirement").

Eastern District of Wisconsin

137. *Stanislawski v. Jordan,* 337 F. Supp. 2d 1103, 1110 (E.D. Wis. 2004) ("Failure to register a copyright or to have an application refused divests a court of subject matter jurisdiction.").

Court of Appeals for the Eighth Circuit

Western District of Arkansas

138. *Dodd v. Fort Smith Special School District No. 100,* 666 F. Supp. 1278, 1282 (W.D. Ark. 1987) ("jurisdictional prerequisite") (court appears to have raised jurisdictional issue *sua sponte*: district judge noted that he had "some doubts as to whether subject matter jurisdiction existed in this case" and "requested the parties to brief several issues").

Southern District of Iowa

139. *TMT Manufacturing, Inc. v. Illowa Resource Develop Inc.,* No. 3:08-cv-0106-JAJ, 2008 WL 4911850, at *2 (S.D. Iowa Nov. 14, 2008) ("The case law is clear that copyright registration is a jurisdictional prerequisite to an infringement action under section 411.").

District of Minnesota

140. *Proulx v. Hennepin Tech Centers District No. 287,* Civ. Action No. 4-79-637, 1981 U.S. Dist. LEXIS 17634, at *10 (D. Minn. Dec. 7, 1981) (magistrate's recommendation) (finding in response to Copyright Register's motion to dismiss that "[i]t is settled that the requirements of § 411 are jurisdictional"), *adopted by court,* 1981 U.S. Dist. LEXIS 17575 (D. Minn. Dec. 30, 1981).

141. *Action Tapes, Inc. v. Mattson,* Civ. Action No. 04-935, 2004 WL 5551811 (D. Minn. July 9, 2004)

(subject-matter jurisdiction existed; evidence revealed valid registrations).

142. *Tri-Marketing, Inc. v. Mainstream Marketing Services, Inc.*, Civil Action No. 09-13, 2009 WL 1408741, at *2 (D. Minn. May 19, 2009) ("jurisdictional requirements of § 411(a)").

Eastern District of Missouri

143. *TVI, Inc. v. InfoSoft Technologies, Inc.*, No. 4:06CV00697JCH, 2006 WL 2850356 (E.D. Mo. Sept. 29, 2006) ("17 U.S.C. § 411(a) addresses when the Court has jurisdiction over a copyright infringement action.").

Western District of Missouri

144. *Scarborough v. Johnson*, No. 06-0567-CV-W-ODS, 2007 WL 2609815, at *1 (W.D. Mo. Sept. 5, 2007) ("Courts have construed this statutory command [of § 411(a)] as a jurisdictional requirement."), *amended in other respects*, 2007 WL 2873499 (W.D. Mo. Sept. 25, 2007).

District of Nebraska

145. *Denenberg v. Berman*, 64 U.S.P.Q.2d 1054, 1055 (D. Neb. 2002) (treating § 411(a) as an issue of "subject-matter jurisdiction," a "fundamentally preliminary . . . absolute stricture[ ] on the court" that cannot be waived by the parties; "Case law interpreting section 411 has made it clear that copyright registration is a jurisdictional prerequisite.").

subject matter jurisdiction"), *cert. denied,* 129 S. Ct. 1677 (2009).

Court of Federal Claims

220. *International Trade Management, Inc. v. United States,* 553 F. Supp. 402, 403 (Ct. Cl. 1982) ("[T]he language is clear. A suit for copyright infringement is conditioned on obtaining (or being denied) a certificate of registration. . . . [I]t is not for this court to second-guess Congress in the exercise of its authority to regulate the jurisdiction of the federal courts.").

221. *Jennette v. United States,* 77 Fed. Cl. 132, 137 (2007) (dismissing copyright claim *sua sponte* for lack of jurisdiction, because plaintiff had not alleged registration) ("The provisions of 17 U.S.C. § 411(a) are jurisdictional.").

222. *Walton v. United States,* 80 Fed. Cl. 251, 260 (2008) ("The consensus among federal appellate courts is that the provisions of 17 U.S.C. § 411(a) are jurisdictional."), *aff'd,* 551 F.3d 1367 (Fed. Cir. 2009).

223. *Rice v. United States,* No. 08-734 C, 2009 WL 607404, at *4 (Fed. Cl. Mar. 10, 2009) (Section 411(a) is jurisdictional and "[i]t is beyond cavil that no party can bring a copyright infringement claim without at least trying to register a copyright.").

Court of Appeals for the Ninth Circuit

146. *Invision Media Services, Inc. v. Glen J. Lerner P.C.*, 175 F. App'x 904, 907 (9th Cir. 2006) (district court did not abuse discretion in awarding attorneys' fees because plaintiff's "failure to meet the jurisdictional prerequisite of registering its copyrights prior to filing suit, see 17 U.S.C. § 411(a), rendered its Copyright Act claims objectively unreasonable").

147. *Perfect 10, Inc. v. Amazon.com*, 508 F.3d 1146, 1154 n.1 (9th Cir. 2007) ("jurisdictional prerequisite").

District of Arizona

148. *Dalton-Ross Homes, Inc. v. Williams*, No. CV-06-1301-PCT-FJM, 2007 WL 2461892, at *2 (D. Ariz. Aug. 29, 2007) ("jurisdictional issue," "jurisdictional prerequisite").

149. *Bean v. McDougal Littell*, 538 F. Supp. 2d 1196, 1198 (D. Ariz. 2008) ("jurisdictional prerequisite of registration").

150. *Designer Skin, LLC. v. S&L Vitamins, Inc.*, 560 F. Supp. 2d 811, 822 (D. Ariz. 2008) ("registration of a copyright claim is a jurisdictional prerequisite to an action for infringement").

151. *Giddings v. Vision House Production, Inc.*, 584 F. Supp. 2d 1222, 1226 (D. Ariz. 2008) (unregistered paintings are "outside this Court's subject matter jurisdiction").

Central District of California

152. *Dielsi v. Falk*, 916 F. Supp. 985, 994 (C.D. Cal. 1996) ("Plaintiff's failure to plead that he has applied for a copyright registration deprives this court of subject matter jurisdiction over his copyright claim.").

153. *Globe International, Inc. v. National Enquirer, Inc.*, No. 98-10613, 1999 WL 727232, at *4 (C.D. Cal. Jan. 25, 1999) ("a federal court has no jurisdiction to hear the claim until the plaintiff has submitted a copyright registration").

154. *Joyce v. Renaissance Design, Inc.*, 56 U.S.P.Q.2d 1541, 1544 (C.D. Cal. 2000) (failure to register "deprives this Court of subject matter jurisdiction over Plaintiff's copyright claim").

155. *Gable-Leigh, Inc. v. North American Miss*, No. CV 01-01019, 2001 WL 521695, at *3-*4 (C.D. Cal. Apr. 13, 2001) (addressing Section 411(a) as a "jurisdictional requirement" governing "subject matter jurisdiction").

156. *Loree Rodkin Management Corp. v. Ross-Simmons, Inc.*, 315 F. Supp. 2d 1053, 1056 (C.D. Cal. 2004) (Section 411(a)'s "plain language . . . unavoidably leads to the conclusion that a federal district court lacks subject matter jurisdiction over a copyright claim if the certificate of registration is yet to be issued").

157. *RDFMedia Ltd. v. Fox Broadcasting Co.*, 372 F. Supp. 2d 556, 562 (C.D. Cal. 2005) ("registration is a condition precedent for a court to exercise jurisdiction in an infringement action").

Eastern District of California

158. *Proven Methods Seminars, LLC v. American Grants & Affordable Housing Institute, LLC,* 519 F. Supp. 2d 1057, 1063-64 (E.D. Cal. 2007) (section 411(a) controls "subject matter jurisdiction" and must be addressed before considering the plaintiff's likelihood of success on the merits).

Northern District of California

159. *Tabra, Inc. v. Treasures de Paradise Designs, Inc.,* 20 U.S.P.Q.2d 1313 (N.D. Cal. 1992) ("Plaintiff obtained presumably valid registrations, upon which this court's jurisdiction can be based. . . .").

160. *Determined Productions, Inc. v. Koster,* Nos. C 92-1697, C 92-2475, 1993 WL 120463, at *1 (N.D. Cal. Apr. 13, 1993) (party committed a "fundamental registration error, which deprives this court of jurisdiction over the copyright claim").

161. *Jefferson Airplane v. Berkeley Systems, Inc.,* 886 F. Supp. 713, 715 (N.D. Cal. 1994) ("jurisdictional prerequisite").

162. *Ashlar Inc. v. Structural Dynamics Research Corp.,* 36 U.S.P.Q.2d 1402, 1405 (N.D. Cal. 1995) ("Section 411(a) requires registration of the copyright as a jurisdictional prerequisite to an infringement suit"), *aff'd per curiam,* 124 F.3d 228 (Fed. Cir. 1997).

163. *Oyster Software, Inc. v. Forms Processing, Inc.*, No. C-00-0724 JCS, 2001 WL 1736382, at *11 (N.D. Cal. Dec. 6, 2001) ("Because Oyster does not allege that its copyright has actually been registered, the Court does not have subject matter jurisdiction over this claim under 17 U.S.C. § 411(a).").

164. *In re Napster, Inc. Copyright Litigation,* 191 F. Supp. 2d 1087, 1101 (N.D. Cal. 2002) ("A copyright registration is a jurisdictional pre-requisite to an infringement action. 17 U.S.C. § 411. For those fifteen works for which plaintiffs have not yet filed an application, this court lacks subject matter jurisdiction.").

165. *Brush Creek Media, Inc. v. Boujaklian,* No. C-02-3491, 2002 WL 1906620, at *2-*3 (N.D. Cal. Aug. 19, 2002) (discussing whether application for registration suffices "to confer federal jurisdiction" before Register acts on application).

166. *Goodwin v. Best Plan, International, Ltd.*, No. C-04-2219EDL, 2004 WL 1924147, at *1 (N.D. Cal. Aug. 30, 2004) (dismissing infringement claims for lack of "subject matter jurisdiction" because plaintiff did not allege registration, but granting leave for plaintiff to file an amended complaint alleging registration).

167. *Bespaq Corp. v. Haoshen Trading Co.*, No. C 04-3698, 2005 WL 14841, at *2 (N.D. Cal. Jan. 3, 2005) ("the court would not have jurisdiction to hear claims of copyright infringement based on those items until the registrations are filed with the Copyright Office and cited in the complaint").

168. *Kantemirov v. Goldine,* No. C05-01362 HRL, 2005 WL 1593533, at *6 (N.D. Cal. June 29, 2005) ("jurisdictional prerequisite").

169. *Just Water Heaters, Inc. v. Affordable Water Heaters & Plumbing, Inc.,* No. C 05 4996 SC, 2006 WL 449136, at *2 (N.D. Cal. Feb. 23, 2006) ("A Court does not have jurisdiction over a copyright claim until the copyright has been registered. . . .").

170. *Identity Arts v. Best Buy Enterprise Services Inc.,* Nos. C 05-4656, C 06-1631, 2007 WL 1149155, at *6 (N.D. Cal. Apr. 18, 2007) ("jurisdictional defect"), *aff'd mem.* 320 F. App'x 772 (9th Cir. 2009).

171. *Jonathan Browning, Inc. v. Venetian Casino Resort, LLC,* No. C Q7-3983, 2007 WL 4532214, at *2 (N.D. Cal. Dec. 19, 2007) (adequate allegation of compliance with Section 411(a) gives court "subject matter jurisdiction").

District of Nevada

172. *Salestraq America, LLC v. Zyskowski,* No. 2:08-CV-01368, 2009 WL 1652146, at *2 (D. Nev. June 10, 2009) ("Courts generally agree that § 411(a) creates a condition precedent to a court's exercise of subject matter jurisdiction in an infringement action.").

District of Oregon

173. *Re-Creation v. Ty, Inc.,* Civ. Action No. 93-1380-FR, 1994 WL 41345, at *1 (D. Or. Feb. 1, 1994)

("jurisdictional standards of 28 U.S.C. §§ 1331 and 1338 and 17 U.S.C. § 411(a)").

174. *Precision Automation, Inc. v. Technical Services, Inc.*, No. 07-CV-707-AC, 2008 WL 4449890, at *3 (D. Or. Sept. 29, 2008) ("jurisdictional prerequisite").

Western District of Washington

175. *Corbis Corp. v. Amazon.com, Inc.*, 351 F. Supp. 2d 1090, 1111-13 (W.D. Wash. 2004) ("plain language of the Copyright Act" establishes that the "district court does not have subject matter jurisdiction over an infringement claim until the Copyright Office grants the registration application").

176. *Painted Word, Inc. v. Haley's Cottage*, No. C04-2229C, 2005 WL 1529592, at *1 (W.D. Wash. June 23, 2005) (dismissing copyright claim for lack of "subject matter jurisdiction" because applications are still pending).

177. *Chihuly, Inc. v. Kaindl*, No. C05-1801-JPD, 2006 WL 83462, at *2 (W.D. Wash. Jan. 11, 2006) (the court has "subject matter jurisdiction" because plaintiff alleged infringement of "approximately forty registered copyrights").

178. *Kurtz v. Capgemini America, Inc.*, No. C05-1817JLR, 2006 WL 223754, at *1 (W.D. Wash. Jan. 30, 2006) (court "lacks subject matter jurisdiction" and "is not free to rewrite the text of the Act").

179. *Berry v. Penguin Group (USA), Inc.*, 448 F. Supp. 2d 1202, 1202 (W.D. Wash. 2006) (without a certificate of registration, the court "concludes that it lacks subject matter jurisdiction over this action").

180. *Propet USA, Inc. v. Shugart*, No. C06-0186, 2007 WL 2766718, at *1 (W.D. Wash. Sept. 19, 2007) ("the absence of copyright registrations deprives this Court of subject matter jurisdiction").

181. *Lucky Break Wishbone Corp. v. Sears, Roebuck & Co.*, No. C06-312Z, 2007 WL 4561124 (W.D. Wash. Dec. 18, 2007) (court noted jurisdictional flaw, lack of registration, *sua sponte*), *motion for reconsideration denied in relevant part*, 2008 WL 189675, at *5 (W.D. Wash. Jan. 18, 2008) (reiterating that court lacks jurisdiction over claims based on unregistered work).

182. *Safeair, Inc. v. Airtran Airways, Inc.*, No. 09-5053RJB, 2009 WL 801754, at *2 (W.D. Wash. Mar. 25, 2009) ("A district court does not have subject matter jurisdiction over an infringement claim until the Copyright Office grants the registration application and issues a certificate of registration.").

Court of Appeals for the Tenth Circuit

183. *La Resolana Architects, PA v. Clay Realtors Angel Fire*, 416 F.3d 1195, 1200 (10th Cir. 2005) ("411(a) is the jurisdictional linchpin to copyright infringement actions").

District of Colorado

184. *Swarovski America Ltd. v. Silver Deer Ltd.*, 537 F. Supp. 1201, 1204 n.2 (D. Colo. 1982) ("jurisdictional prerequisite").

185. *General Electric Property Management Co. of Colorado v. Broadcast Information Services, Inc.*, Civ. Action No. 88-A-325, 1988 WL 106018, at *1 (D. Colo. Oct. 12, 1988) (court has "subject matter jurisdiction" only if work qualified for preregistration under Section 411(b) or was registered under Section 411(a)).

186. *Gates Rubber Co. v. Bando American, Inc.*, 798 F. Supp. 1499, 1503 (D. Colo. 1992) ("jurisdiction is appropriate as to the copyright infringement action as the Plaintiff has met the registration requirements of 17 U.S.C. § 411(a)"), *aff'd in part, vacated in part on other grounds*, 9 F.3d 823 (10th Cir. 1993).

187. *Home Design Services, Inc. v. B&B Custom Homes, LLC*, 81 U.S.P.Q.2d 1363, 1365 (D. Colo. 2006) (court has "subject matter jurisdiction" where plaintiff has "properly filed this action after registering its copyrights").

District of Kansas

188. *Relational Design & Technology, Inc. v. Brock*, Civ. Action No. 91-2452-EEO, 1993 WL 191323, at *5 & n.1 (D. Kan. May 25, 1993) ("jurisdictional prerequisite").

189. *Westport Historical Society v. Lee*, 43 U.S.P.Q.2d 1858, 1860 (D. Kan. 1997) ("registration of a

copyright is a jurisdictional prerequisite to an infringement suit").

190. *In re Independent Services Organizations Antitrust Litigation,* 964 F. Supp. 1469, 1474 (D. Kan. 1997) ("jurisdictional prerequisites"), *motions for reconsideration granted in part and denied in part on other grounds,* 964 F. Supp. 1479 (D. Kan. 1997), *motion for reconsideration denied and interlocutory appeal certified on other questions,* Civ. Action No. MDL-1021, 1997 WL 450028 (D. Kan. July 17, 1997), *permission to appeal denied,* 129 F.3d 132 (Fed. Cir. 1997) (unpublished table decision), *modified on other grounds,* 989 F. Supp. 1131 (D. Kan. 1997).

191. *Goebel v. Manis,* 39 F. Supp. 2d 1318, 1320 (D. Kan. 1999) ("plain language of the statute" requires registration to establish jurisdiction).

192. *Gerig v. Krause Publications, Inc.,* 33 F. Supp. 2d 1304, 1306 (D. Kan. 1999) ("The court recognizes there is some inconvenience in this course of action [dismissing the action and instructing the plaintiff to file a new action once he has properly registered under Section 411(a)], but subject matter jurisdiction requires no less.").

Western District of Oklahoma

193. *Berry v. Borders Group, Inc.,* No. CIV-06-297-C, 2006 WL 2773198, at *2, *3, *4 (W.D. Okla. Sept. 25, 2006) (Failure to satisfy Section 411(a)'s "jurisdictional prerequisites" and "jurisdictional requirements" means that the "Court

lacks power to rule on a substantive motion or enter judgment, it may only announce its lack of subject matter jurisdiction and dismiss the action.").

Court of Appeals for the Eleventh Circuit

194. *M.G.B. Homes, Inc. v. Ameron Homes, Inc.*, 903 F.2d 1486, 1488 (11th Cir. 1990) ("jurisdictional prerequisite").

195. *Montgomery v. Noga*, 168 F.3d 1282, 1288 (11th Cir. 1999) (background statement of "basic principles of copyright law" notes that "'[t]he registration requirement is a jurisdictional prerequisite to an infringement suit'") (quoting precedent).

196. *Brewer-Giorgio v. Producers Video, Inc.*, 216 F.3d 1281, 1285 (11th Cir. 2000) (jurisdictional nature of 411(a) is "well settled").

197. *Watkins v. Southeastern Newspapers, Inc.*, 163 F. App'x 823 (11th Cir. 2006) (without registration, "the district court did not have jurisdiction to consider [the plaintiff's] claims").

198. *Oravec v. Sunny Isles Luxury Ventures L.C.*, 527 F.3d 1218, 1228-29 (11th Cir. 2008) (Section 411(a) establishes "jurisdiction prerequisite").

199. *Stuart Weitzman, LLC v. Microcomputer Resources, Inc.*, 542 F.3d 859, 863 (11th Cir. 2008) ("the case law is clear that only those copyright holders that at least apply to register their copyrights may invoke the subject matter

jurisdiction of the federal courts in an infringement suit").

200. *St. Luke's Cataract & Laser Institute., P.A. v. Sanderson,* No. 08-11848, 2009 U.S. App. LEXIS 15268, at *36 (11th Cir. July 9, 2009) ("the consensus among federal courts . . . is that § 411(a)'s registration requirement is a jurisdictional prerequisite to a copyright infringement suit").

Southern District of Alabama

201. *Dapremont v. CFI Sales, Inc.,* Civ. Action No. 98-0836-BH-M, 1999 WL 34795810, at *2 (S.D. Ala., May 25, 1999) ("'The registration requirement is a jurisdictional prerequisite to an infringement action.' Here, plaintiffs do not allege and have not shown the registration of a valid copyright on 'the Cookin' Cajun' slogan or image.") (citation omitted).

202. *Abbott v. Tyson,* Civ. Action No. 01-0111-CB-S, 2001 WL 228169, at *2 (S.D. Ala. Feb. 16, 2001) ("Because Plaintiff has failed to obtain a copyright registration prior to filing this infringement action, the Court is without subject matter jurisdiction.").

Middle District of Florida

203. *John Alden Homes, Inc. v. Kangas,* 142 F. Supp. 2d 1338, 1340 (M.D. Fla. 2001) ("jurisdictional prerequisite"), *aff'd,* 37 F. App'x 979 (11th Cir. 2002).

204. *Home Design Services, Inc. v. Green Horne Corp.*, No. 6:03CV425-ORL-22DAB, 2003 WL 21544165, at *2 (M.D. Fla. May 30, 2003) ("In the absence of a Certificate of Registration this Court lacks subject matter jurisdiction.").

205. *Kaye Homes, Inc. v. Original Custom Homes Corp.*, No. 2:07-cv-392-FtM-29SPC, 2007 WL 2407005, at *2 (M.D. Fla. Aug. 20, 2007) ("jurisdictional statute").

206. *Simplexgrinnell, L.P. v. Ghiran*, No. 2:07-cv-456-FtM-29DNF, 2007 WL 2480352, at *2 (M.D. Fla. Aug 29, 2007) ("The Eleventh Circuit has held that registration is necessary for a federal court to have subject matter jurisdiction.").

Southern District of Florida

207. *Rene Perez & Associates v. Almeida*, No. 96-1201-CIV-DAVIS, 1996 WL 541736, at *3 (S.D. Fla. May 30, 1996) ("The language of the section 411(a) is clear and unambiguous: copyright registration is a jurisdictional prerequisite to a lawsuit for infringement.").

208. *Telemax Entertainment, Inc. v. Telemundo Network, Inc.*, No. 04-20150-CIV-GRAHAM, 2004 WL 3019373, at *3 (S.D. Fla. Dec. 16, 2004) (failure to register "strips the Court of jurisdiction over the copyright claims").

209. *SM Licensing Corp. v. U.S. Medical Care Holdings, L.L.C.*, No. 07-20293-CIV. 2007 WL 1238582, at *1 (S.D. Fla. Apr. 26, 2007) ("In the Eleventh Circuit, simply filing an application for

copyright registration is not sufficient to provide federal courts with jurisdiction.").

210. *Dellacasa, LLC v. John Moriarty & Associates of Florida, Inc.*, No. 07-21659-CIV. 2008 WL 299024, at *12 (S.D. Fla. Feb. 1, 2008) (because plaintiff registered the contested copyrights, "the Court has subject matter jurisdiction over the instant copyright infringement action").

Northern District of Georgia

211. *Pillsbury Co. v. Milky Way Productions*, 215 U.S.P.Q. 124, 127, 128 (N.D. Ga. 1981) (registration is necessary to "fulfill[ ] the jurisdictional prerequisites of the Copyright Act," this is "axiomatic").

212. *Georgia Television Co. v. TV News Clips of Atlanta, Inc.*, 718 F. Supp. 939, 951 (N.D. Ga. 1989) ("Registration is a condition precedent to the filing of an infringement action. . . . Section 411 is therefore a jurisdictional statute.").

213. *Infodek, Inc. v. Meredith-Webb Printing Co., Inc.*, 830 F. Supp. 614, 620 n.6 (N.D. Ga. 1993) ("Section 411(a) of the Copyright Act of 1976 requires registration of the copyright as a jurisdictional prerequisite to an infringement suit.").

Southern District of Georgia

214. *Watkins v. Southeastern Newspapers, Inc.*, Civ. Action No. CV 104-127, 2005 WL 1429894, at *2

(S.D. Ga. June 17, 2005) ("jurisdictional requirement"), *aff'd*, 163 F. App'x 823 (11th Cir. 2006).

Court of Appeals for the District of Columbia Circuit

District of the District of Columbia

215. *Strategy Source, Inc. v. Lee*, 233 F. Supp. 2d 1, 4 (D.D.C. 2002) ("The language of Section 411(a) is clear and unambiguous. . . . To conclude that registration or the refusal of registration by the Copyright Office are not jurisdictional prerequisites is to disregard the plain language of these statutes. . . .").

216. *DSMC, Inc. v. Convera Corp.*, 479 F. Supp. 2d 68, 80 (D.D.C. 2007) ("jurisdictional prerequisite").

217. *Prunté v. Universal Music Group*, 484 F. Supp. 2d 32, 40 (D.D.C. 2007) (Court found that the registration requirement had been satisfied by registration application and therefore "it [had] subject matter jurisdiction over Mr. Prunté's infringement claims").

Court of Appeals for the Federal Circuit

218. *Siler v. United States*, 296 F. App'x 32, 33 (Fed. Cir. 2008) ("This is a jurisdictional requirement.").

219. *Tavory v. NTP, Inc.*, 297 F. App'x 986, 989 n.1 (Fed. Cir. 2008) (applying law of the 4th Circuit) ("an invalid registration divests the court of

AMICUS CURIAE BRIEF

131

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Supreme Court of the United States

REED ELSEVIER INC. *et al.*,

Petitioners,

v.

IRVIN MUCHNICK *et al.*,

Respondents,

LETTY COTTIN POGREBIN *et al.*,

Respondents.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

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TABLE OF CONTENTS

Page

INTEREST OF *AMICI CURIAE* 1

INTRODUCTION AND SUMMARY OF THE ARGUMENT 5

ARGUMENT 7

I. WHETHER "JURISDICTIONAL" OR NOT, THE REGISTRATION REQUIREMENT IS MANDATORY AND INFLEXIBLE. 7

A. The Registration Requirement Is A Linchpin Of Copyright Enforcement Litigation. 8

B. The Registration Requirement Is Mandatory. 11

1. A Non-Jurisdictional Rule Can Nonetheless Be Mandatory. 12

2. A Requirement Is Mandatory If, As With § 411(a), Congress Has Stated It In Emphatic Terms. 16

II. THE CLASS SETTLEMENT IN THIS CASE SHOULD BE UPHELD. 17

A. The Power Of Release Is Distinct From The Power To Adjudicate 18

B. Upholding Exercise Of The Release Power Is Particularly Appropriate Here Because This Case Presents No Question Of The Relationship Between State And Federal Courts.....22

C. The Court Of Appeals' Decision Misapprehends The Nature And Contours Of The Release Power.....25

D. This Case Powerfully Illustrates The Adverse Effects Of Failing To Adhere To The Release Rule. 27

CONCLUSION.....30

TABLE OF AUTHORITIES

Page(s)

CASES

Abramson v. Pennwood Investment Corp., 392 F.2d 759 (2d Cir. 1968).....21

Amchem Products, Inc. v. Windsor, 521 U.S. 591 (1997) 26

Arbaugh v. Y & H Corp., 546 U.S. 500 (2006) 12, 13-14

Brooks-Ngwenya v. Indianapolis Public Schools, 564 F.3d 804 (7th Cir. 2009).....13

Califano v. Yamaski, 442 U.S. 682 (1979) 25

Carlisle v. United States, 517 U.S. 416 (1996) 14

Class Plaintiffs v. City of Seattle, 955 F.2d 1268 (9th Cir. 1992).....24

Day v. McDonough, 547 U.S. 198 (2006).....13

Eberhart v. United States, 546 U.S. 12 (2005) 13, 14

Greenlaw v. United States, 128 S. Ct. 2559 (2008) 14

Grimes v. Vitalink Communications Corp., 17 F.3d 1553 (3d Cir. 1994).....20, 21, 23, 27

Hallstrom v. Tillamook County, 493 U.S. 20 (1989) 15, 16, 17

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TBK Partners, Ltd. v. Western Union Corp., 675 F.2d 456 (2d Cir. 1982) 21, 22, 27

Torres-Negrón v. J & N Records, LLC, 504 F.3d 151 (1st Cir. 2007) 9

United States v. Robinson, 361 U.S. 220 (1960) 14

Wal-Mart Stores, Inc. v. Visa U.S.A. Inc., 396 F.3d 96 (2d Cir. 2005) 28

Weinberger v. Salfi, 422 U.S. 749 (1975) 25

Williams v. General Electric Capital Automobile Lease, Inc., 159 F.3d 266 (7th Cir. 1998) 23-24, 26, 27

Zahn v. International Paper Co., 414 U.S. 291 (1973) 25

STATUTES

17 U.S.C. § 101 8

17 U.S.C. § 302(a) 8

17 U.S.C. § 408(a) 8

17 U.S.C. § 410(c) 8

17 U.S.C. § 411(a) 7, 8, 17

17 U.S.C. § 412 8

28 U.S.C. § 1738 19

28 U.S.C. § 2072(b) 18

42 U.S.C. § 6972(b)(1) (1982) 16

Copyright Act of 1909, ch. 320, 35 Stat. 1075 8

LEGISLATIVE MATERIALS

Berne Convention Implementation Act of 1987: Hearings on H.R. 1623 Before the Subcomm. on Courts, Civil Liberties, and the Administration of Justice of the H. Comm. on the Judiciary, 100th Cong. 1225 (1988) 11

The Berne Convention: Hearings on S. 1301 and S. 1971 Before the Subcomm. on Patents, Copyrights and Trademarks of the S. Comm. on the Judiciary, 100th Cong. 55 (1988) 10

U.S. Adherence to the Berne Convention: Hearings Before the Subcomm. on Patents, Copyrights and Trademarks of the S. Comm. on the Judiciary, 99th Cong. 58-111 (1985) 11

MISCELLANEOUS

5 William F. Patry, *Patry on Copyright* § 17:79 (2009) 9-10

Alex Lees, Note, *The Jurisdictional Label: Use and Misuse*, 58 Stan. L. Rev. 1457 (2006) 13

Judith Resnik, *Procedure as Contract*, 80 Notre Dame L. Rev. 593 (2004) 20

Robert Wedgeworth & Barbara Ringer, *The Library of Congress Advisory Committee*

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Scott Dodson, *Mandatory Rules*, 61 Stan. L. Rev. 1 (2008) 13, 15, 17

INTERESTS OF *AMICI CURIAE*

Amici are media publishers and organizations with two separate but related interests in this case.[1]

First, *amici* have a strong interest in restoring and preserving the settlement invalidated by the Court of Appeals. *Amici* have published many thousands of articles that have been, or could be, presented in electronic databases and online archives. In the wake of this Court's decision in *New York Times Co. v. Tasini*, 533 U.S. 483 (2001), legal uncertainty regarding the status of many of these articles required the stripping of archives and the difficult re-evaluation of previously disseminated information. The settlement painstakingly negotiated by the parties produced a welcome and important resolution to these complex, seemingly intractable problems. Some of the *amici* are "participating publishers"—publishers who are not parties to this litigation, but who have formally agreed to provide payments to freelance writers for past articles under the settlement's compensation agreement. *See* J.A. 150-51.[2] The Second Circuit's decision, however,

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[1] No counsel for a party authored this brief in whole or in part, and no such counsel or party made a monetary contribution intended to fund the preparation or submission of this brief. No person other than the *amici*, or their counsel, made a monetary contribution intended to fund the brief's preparation or submission. The parties' written consents accompany this brief.

[2] The Brief for the Muchnick Respondents incorrectly suggests that all participating publishers listed at J.A. 150-51 are "defendants." *See* Br. for Muchnick Resp'ts 5. Although the list at J.A. 150-51 includes some defendants in this action, it also includes a number of participating publishers who are not

once again has thrust into doubt the electronic display of extensive portions of media archives. *Amici* believe that the settlement in this case is lawful, and that it furthers important public policy objectives.

Second, *amici*, as owners of copyrights and disseminators of information, have a strong interest in the proper interpretation and enforcement of the nation's copyright laws. Copyright registration is a linchpin of the nation's copyright enforcement system. *Amici* believe that this mandatory precondition to instituting suit, whether jurisdictional or not, should be respected and rigidly enforced. The legal permissibility of the settlement in this case, which *amici* fully support, does not, and should not, rest on a weakening of this bulwark of intellectual property protection and enforcement.

The Newspaper Association of America ("NAA") is a nonprofit organization representing the interests of more than 2,000 newspapers in the United States and Canada. NAA members account for nearly 90 percent of the daily newspaper circulation in the United States and a wide range of non-daily newspapers. One of NAA's key strategic priorities is to advance newspapers' First Amendment interests, including the ability to gather and report the news.

The Associated Press ("AP") is a global news agency organized as a mutual news cooperative under the Not-for-Profit Corporation Law of New York. AP has no parents, subsidiaries or affiliates

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defendants or otherwise parties. None of the *amici* on whose behalf this brief is submitted is a party.

that have any outstanding securities in the hands of the public.

The Association of American University Presses is a membership organization representing 134 nonprofit scholarly publishers. Its members include presses affiliated with major research universities, scholarly societies, think tanks, and museums, and collectively they publish over 10,000 books and 880 journals in every field of scholarly endeavor.

Gannett Co., Inc. is an international news and information company that publishes 84 daily newspapers in the United States, including *USA Today*, and nearly 850 non-daily publications, including *USA Weekend*, a newspaper magazine. The company also owns 23 television stations and more that 100 web sites that are integrated with its publishing and broadcasting operations.

Hearst Corporation (www.hearst.com) is one of the nation's largest diversified media companies. Its major interests include: ownership of 15 daily and 49 weekly newspapers, including the *Houston Chronicle*, *San Francisco Chronicle* and *Albany Times Union*; interests in an additional 43 daily and 72 non-daily newspapers owned by MediaNews Group, including the *Denver Post* and *Salt Lake Tribune*; nearly 200 magazines around the world, including *Good Housekeeping*, *Cosmopolitan* and *O, The Oprah Magazine*; 29 television stations through Hearst-Argyle Television (NYSE: HTV) which reach a combined 18% of U.S. viewers; ownership in leading cable networks, including Lifetime, A&E, History and ESPN; business publishing, including a minority joint venture interest in Fitch Ratings; Internet

businesses; television production; newspaper features distribution; and real estate.

Incisive Media, LLC is one of the world's fastest growing business-to-business information providers, serving the financial and professional services markets globally. Incisive Media's Legal division is the world's leading legal news and information organization. The division's products deliver timely and vital content to law firms, corporate attorneys, and legal professionals in North America, Europe and around the world. Incisive Media's integrated suite of products and resources includes: *Law.com, The American Lawyer.com, Legal Week, Legal Tech, Corporate Counsel, Law Journal Press, The National Law Journal, Law Technology News, New York Law Journal* and more.

Landmark Media Enterprises, LLC (formerly Landmark Communications) is a privately held media company headquartered in Norfolk, Virginia with interests in print and internet publishing, internet marketing/web services, and broadcast television.

Newsweek, Inc. publishes the weekly news and ideas magazines *Newsweek* and *Newsweek International* (distributed nationally and internationally, respectively), *Newsweek.com*, Arthur Frommer's *Budget Travel Magazine* (distributed nationally), and *BudgetTravel.com*.

North Jersey Media Group Inc. is an independent, family-owned printing and publishing company, parent of two daily newspapers serving the residents of northern New Jersey: *The Record* (Bergen County), the state's second-largest

newspaper, and *Herald News* (Passaic County). North Jersey Media Group also publishes more than 40 community newspapers serving towns across five counties in northern New Jersey.

The Washington Post, a wholly-owned subsidiary of The Washington Post Company, is a leading newspaper with a daily circulation of over 640,000 and a Sunday circulation of over 878,000.

INTRODUCTION AND SUMMARY OF THE ARGUMENT

The class action settlement between the parties in this case should be upheld. The settlement operates exactly as class action settlements can and should operate in complex civil disputes: it resolves, on a global and voluntary basis, difficult issues involving thousands of individuals and scores of publishers and databases, with a potential impact on many millions of users, readers and researchers. Any objections to the fairness or adequacy of the settlement could have been (and were) raised through the established mechanism of class action settlement adjudication—the opportunity to object and to opt out, with full notice of the settlement to affected parties. The Court of Appeals' conclusion that the settlement must be jettisoned because the District Court lacked an independent jurisdictional basis for *adjudicating* a category of released claims included in the settlement is insupportable.

Amici respectfully suggest that in considering this case the Court should be cognizant of two important issues. First, the copyright registration provision, 17 U.S.C. § 411(a), sets forth a *mandatory* precondition to suit—one that, if not satisfied,

generally erects an absolute bar to pursuit of a copyright infringement claim. However this Court answers the question whether registration is "jurisdictional," it should recognize the critical role registration plays as a prerequisite to litigation and as an indispensable element of any infringement claim. Congress has expressed that requirement in emphatic terms, and it has done so for sound and important policy reasons. That legislative choice must be respected.

Second, and contrary to the Court of Appeals' understanding, the settlement in this case should be upheld whether or not the registration requirement is viewed as jurisdictional. If the requirement is viewed as mandatory but not jurisdictional, then the settlement should be upheld because the basis for the Court of Appeals' *sua sponte* objection to the settlement evaporates. Even if the requirement is viewed as jurisdictional, however, the settlement should be upheld. A federal district court has the power, independent of its power to *adjudicate* a given claim, to approve a *release* of that same claim—so long as the released claim is part of a case that includes other claims over which the court has jurisdiction.

This case serves as a powerful illustration of the adverse effects of blurring the line between jurisdiction and release in the class action settlement context. The parties here worked long and hard to reach an agreement that would permit publishers to reopen their full archives to the public—a benefit to publishers, to authors, and to the general public. The matter had been finally resolved after years of intense negotiation and mediation, and all (including

amici) believed they could move forward. Now, in the wake of the Second Circuit's ruling, a new era of uncertainty has dawned, and significant portions of the archives are closed once more. That result cannot be squared with the purposes behind the class action device or settlement law generally. Nor can it be reconciled with the nation's interest in the broad dissemination and availability of information—a fundamental objective of the nation's copyright system.

ARGUMENT

I. WHETHER "JURISDICTIONAL" OR NOT, THE REGISTRATION REQUIREMENT IS MANDATORY AND INFLEXIBLE.

The Copyright Act's registration requirement is stated unambiguously and categorically: "[N]o civil action for infringement of the copyright in any United States work shall be instituted until . . . registration of the copyright claim has been made . . . ." 17 U.S.C. § 411(a).

Amici respectfully submit that, in light of the critical purposes served by the registration requirement and the Copyright Act's unequivocal directive, the question whether § 411(a) qualifies as jurisdictional has relevance only in a handful of cases: those in which the purported infringer (usually the defendant) either (1) fails to raise the lack of registration (forfeiture) or (2) affirmatively disavows reliance on the argument that lack of registration requires dismissal (waiver). Otherwise, if properly brought to the court's attention, a failure to register requires dismissal of an infringement claim. That is

because the registration requirement plainly is *mandatory*.

A. The Registration Requirement Is A Linchpin Of Copyright Enforcement Litigation.

Formal notice of copyrighted materials has been a fundamental prerequisite of civil copyright infringement actions since 1790. *See* Br. for Pet'rs 33, A20-A26. A full century ago, the Copyright Act of 1909 provided: "No action or proceeding shall be maintained for infringement of copyright in any work *until the provisions of this Act with respect to the deposit of copies and registration of such work shall have been complied with*." Copyright Act of 1909, ch. 320, § 12, 35 Stat. 1075, 1078 (emphasis added). The current copyright statute displays no less clarity and precision: "No civil action for infringement of the copyright in any United States work shall be instituted *until registration of the copyright has been made* in accordance with this title." 17 U.S.C. § 411(a) (emphasis added).[3]

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[3] Under current law, registration not only is a prerequisite to suit but also forms the basis for any recovery of statutory damages and/or attorneys' fees, *see* 17 U.S.C. § 412, and simplifies the owner's evidentiary burden, *see* 17 U.S.C. § 410(c). Thus, while copyright *ownership* does not depend on registration, *see* 17 U.S.C. §§ 302(a), 408(a), registration is central to most civil suits for infringement of a copyrighted work. The exceptions to this general rule are carefully delineated by the express terms of the Copyright Act. *See, e.g.*, 17 U.S.C. § 101 (defining "United States work" for purposes of § 411(a)); 17 U.S.C. § 411(a) (exempting enforcement of "moral rights" under 17 U.S.C. § 106A from registration requirement and allowing suit where registration has been refused).

Congress's determination to make registration the linchpin of civil copyright enforcement rests on at least two critical policy concerns. First, under the current system, registration "allow[s] the Copyright Office to make an initial judgment about the validity of copyrights, based on its experience and expertise, and to reduce the burdens of litigation by giving that judgment some weight in subsequent litigation." *Torres-Negrón v. J & N Records, LLC*, 504 F.3d 151, 161 (1st Cir. 2007); *see also* Robert Wedgeworth & Barbara Ringer, *The Library of Congress Advisory Committee on Copyright Registration and Deposit – Letter and Report of the Co-Chairs*, 17 Colum.-VLA J.L. & Arts 271, 288 (1993) [hereinafter *ACCORD Report*] ("[S]creening of the application and deposit by the Copyright [O]ffice is intended to keep invalid copyright claims out of court and to provide a certified record and a solid basis for the ordering of proof.").

Second, and more broadly, registration ensures "a comprehensive and reliable copyright database, available freely to the general public"—a resource that has become all the more valuable "[a]s the communications revolution gathers momentum." *ACCORD Report*, *supra*, at 280. The point is to facilitate "business transactions such as transferring rights, and obtaining permissions or licenses, [and] resol[ution of] legal disputes, provi[sion of] biographical information, and so forth." *Id.*

The registration requirement and the policies underlying it have been the subject of unusually rigorous public airing—in the form of proposals in the 1980s and 1990s to repeal the requirement and (successful) oppositions to such proposals. *See* 5

William F. Patry, *Patry on Copyright* § 17:79 (2009); *ACCORD Report*, *supra*, at 271 (explaining that Report is in response to repeal proposal). Even the proponents of repeal have acknowledged the importance of the policies underlying the requirement; their concerns have instead centered principally on treaty obligations and efficacy. *See* 5 Patry, *supra*, § 17:79 (discussing debates over whether § 411(a) should be repealed in face of the Berne Convention); *ACCORD Report*, *supra*, at 272 (expressing concerns about the efficacy of the registration requirement in promoting the aims it is meant to serve). Proponents of the registration system, for their part, have emphasized the two important objectives served by the registration requirement discussed above. For example, during a debate on repeal in the 1980's, Congressman Robert W. Kastenmeier, chair of the House Intellectual Property Subcommittee, testified before the Senate:

> The objective of maintaining the flow of materials to the collections of the National Library through registration, the evidentiary use to the judicial system, the usefulness of the examining process, and the public interest of a comprehensive and open registry relating to the existence, ownership and exercise of copyrights all argue for continuation of this registration incentive.

The Berne Convention: Hearings on S. 1301 and S. 1971 Before the Subcomm. on Patents, Copyrights and Trademarks of the S. Comm. on the Judiciary, 100th Cong. 55 (1988) (statement of Robert W. Kastenmeier). Underscoring the interest in judicial economy, Ralph Mecham, Director of the Administrative Office of the United States Courts,

wrote to Congress during the same period on behalf of the Judicial Conference of the United States that repeal of § 411(a) would "likely [result in] increased difficulty in trying copyright cases." *Berne Convention Implementation Act of 1987: Hearings on H.R. 1623 Before the Subcomm. On Courts, Civil Liberties, and the Administration of Justice of the H. Comm. on the Judiciary*, 100th Cong. 1225 (1988) (statement of Ralph Mecham); *see also U.S. Adherence to the Berne Convention: Hearings Before the Subcomm. on Patents, Copyrights and Trademarks of the S. Comm. on the Judiciary*, 99th Cong. 58-111 (1985) (statement of Donald C. Curran, Associate Librarian of Congress and Acting Register of Copyrights) (outlining multiple important policies served by the registration requirement).

Plainly, the longstanding requirement of registration as a prerequisite for infringement litigation serves important and widely recognized public purposes. [4]

B. The Registration Requirement Is Mandatory.

This Court has emphasized that some requirements of adjudication imposed by rule or statute, whether jurisdictional or not, are compulsory

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[4] Given the clarity with which the twin goals of judicial economy and free flow of information concerning copyright data have been articulated in the legislative history and elsewhere, the Muchnick Respondents' assertions that "the registration requirement has nothing to do with adjudication of infringement actions," Br. for Muchnick Resp'ts 32, and that its "primary function" is instead simply to ensure the completeness of the collection at the Library of Congress, *see id.* at 12-13, are erroneous.

if timely raised. The copyright registration requirement is one such mandatory requirement. As unambiguously reflected in the language of § 411(a), Congress has made the judgment that the policy goals of public access and judicial economy cannot be served if the registration requirement is enforced inconsistently.[5]

1. A Non-Jurisdictional Rule Can Nonetheless Be Mandatory.

This Court has taken special care in recent years to assess whether particular procedural rules or statutory requirements are genuinely "jurisdictional"—meaning that they "delineat[e] the classes of cases . . . falling within a court's adjudicatory authority," *Kontrick v. Ryan*, 540 U.S. 443, 455 (2004)—or are instead "claim-processing rules," *id.* at 454, or "essential ingredients of a federal claim for relief," *Arbaugh v. Y & H Corp.*, 546 U.S. 500, 503 (2006). As the Court has explained, the distinction matters because

> [t]he objection that a federal court lacks subject-matter jurisdiction may be raised by a party, or by a court on its own initiative, at any stage in the litigation, even after trial and the entry of judgment.

Id. at 506 (citation omitted). By contrast, a non-jurisdictional rule generally can be forfeited or waived. *See id.* at 507 (observing that objection that

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[5] The Muchnick Respondents (who opposed the settlement below on the merits) pepper their brief with suggestions that the registration requirement is a mere "formality." *See, e.g.*, Br. for Muchnick Resp'ts 30. As explained below, these suggestions are unfounded.

claim lacks an essential element can only be raised "up to, but not beyond, trial on the merits"); *Kontrick*, 540 U.S. at 456 ("[A] claim-processing rule . . . [may] be forfeited if the party asserting the rule waits too long to raise the point.").[6]

In training a discriminating eye upon rules and statutory requirements claimed to be "jurisdictional," however, the Court has made clear that the label often is relevant *only* to that extent—that is, only insofar as it operates as shorthand for susceptibility to forfeiture and waiver. In all other respects, a "jurisdictional" rule and a "non-jurisdictional" one may well operate in identical fashion. A non-jurisdictional rule, no less than a jurisdictional one, may be "unalterable on a party's application." *Kontrick*, 540 U.S. at 456; *Eberhart v. United States*, 546 U.S. 12, 15, 19 (2005); *Arbaugh*, 546 U.S. at 503,

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[6] In some circumstances, even waiver or forfeiture will not preclude application of a non-jurisdictional rule. *See Day v. McDonough*, 547 U.S. 198, 209 (2006) (holding that district court could dismiss habeas petition for lack of timeliness even though State forfeited the limitations defense); *Kontrick*, 540 U.S. at 457 n.12 (observing that debtor may not be able to consent to assertion of time-barred objections to discharge, even though time limitation is non-jurisdictional); *Brooks-Ngwenya v. Indianapolis Pub. Sch.*, 564 F.3d 804, 808 (7th Cir. 2009) *(per curiam)* ("[C]ourts enforce mandatory (though nonjurisdictional) rules—*even if the parties do not raise them*—in a variety of ways.") (emphasis added); Scott Dodson, *Mandatory Rules*, 61 Stan. L. Rev. 1, 6 & n.24 (2008) (listing other instances in which non-jurisdictional rules may be raised and applied by the court *sua sponte*); Alex Lees, Note, *The Jurisdictional Label: Use and Misuse*, 58 Stan. L. Rev. 1457, 1497 (2006) ("Courts can still apply nonjurisdictional rules with rigidity and decide, for example, that even if a particular rule is nonjurisdictional, it still cannot be waived.").

514 (acknowledging that numerosity requirement in Title VII's employer definition, though not "jurisdictional," is nonetheless an "essential element" of the plaintiff's claim); *see also Greenlaw v. United States*, 128 S. Ct. 2559, 2572 (2008) (Alito, J., dissenting).

The Court's discussion of mandatory rules in *Eberhart*, 546 U.S. 12, makes this point nicely. *Eberhart* held that the seven-day time limit set forth in Federal Rule of Criminal Procedure 33 for seeking a new trial is not properly labeled "jurisdictional," and that a court thus has no obligation to reject as untimely a motion for a new trial filed outside the seven-day deadline unless the Government properly invokes the Rule. *See id.* at 19. In reaching this conclusion, however, this Court was careful to note that the Government had *not* properly invoked Rule 33, and that the outcome would have been different if it had. "[D]istrict courts must observe the clear limits of the Rules of Criminal Procedure when they are properly invoked," the Court explained, and proper invocation imposes on a district court a "mandatory" "duty" to apply the Rules as written. *Id.* at 17, 18.

Eberhart thus confirms that a procedural rule or (*a fortiori*) a statutory prerequisite to filing suit need not be "jurisdictional" in order to be "'emphatic,'" "'inflexible,'" and absolutely "mandatory" upon a party's invocation thereof. *Id.* at 13, 18 (citations omitted). A requirement that falls within this category cannot be overridden or ignored by a court when it is properly invoked, *see id.* at 19; *United States v. Robinson*, 361 U.S. 220, 229-30 (1960); *Carlisle v. United States*, 517 U.S. 416, 419-33 (1996)

(holding that district court has no power to grant untimely motion for judgment of acquittal in face of prosecutor's objection), and is not otherwise susceptible to "equitable" limitations on its application. *See* Dodson, *supra*, at 9 ("[A] mandatory rule has the nonjurisdictional attributes of being waivable, forfeitable, and consentable, and a court has no obligation to monitor it sua sponte. However, if the rule is properly invoked by the party for whose benefit it lies, a court has no discretion to excuse noncompliance.").

That non-jurisdictional requirements may nonetheless be rigid and mandatory also is underscored by *Hallstrom v. Tillamook County*, 493 U.S. 20 (1989). The issue in *Hallstrom* was whether a statutory provision requiring a plaintiff to give 60 days' notice to defendants before filing suit could be "disregarded by the district court at its discretion" when, as was the case in *Hallstrom*, notice had been given after suit was filed and defendants had been afforded 60 days to redress any purported violation before proceedings were resumed. *Id.* at 23-24. This Court, observing that the "language of [the notice] provision could not be clearer," *id.* at 26, held "that the notice and 60-day delay requirements [we]re mandatory conditions precedent to commencing suit" that were not susceptible to modification or excuse on equitable grounds. *Id.* at 27, 31. Because the Court concluded that dismissal of the suit was therefore required, it found it unnecessary to decide whether the requirement at issue technically qualified as "jurisdictional." *Id.* at 31.

2. *A Requirement Is Mandatory If, As With § 411(a), Congress Has Stated It In Emphatic Terms.*

Hallstrom offers important guidance in identifying requirements that, whether jurisdictional or not, qualify as mandatory. First, the provision at issue there stated its command in prohibitory terms: it said that "[n]o action may be commenced" prior to the end of the 60-day period. 42 U.S.C. § 6972(b)(1) (1982); *see Hallstrom*, 493 U.S. at 25-26. Under "a literal reading" of the provision, the Court concluded, "compliance with the 60-day notice provision is a mandatory, not optional, condition precedent for suit." *Hallstrom*, 493 U.S. at 26. Second, because the 60-day period was linked to the date of filing suit and was not "triggered by the violation giving rise to the action," the required delay was unlike a statute of limitations, and thus not "subject to equitable tolling." *Id.* at 27.

The decision in *Kontrick v. Ryan*, 540 U.S. 443, similarly is instructive in determining whether a rule should be viewed as mandatory. *Kontrick* held that a time limitation set forth in the Bankruptcy Code could be forfeited if not raised in a timely fashion, but reserved on the issue whether, absent forfeiture, this non-jurisdictional rule "could be softened on equitable grounds." *Id.* at 457. The Court explained that that question would have to be answered by reviewing the "form" of the rule at issue to determine whether it was stated so "emphatic[ally] . . . as to preclude equitable exceptions." *Id.* at 458 (quotation marks omitted).

Applying *Hallstrom* and *Kontrick* to § 411(a), it is clear that the registration provision qualifies as

mandatory and inflexible. The text of the statute—which states categorically that "[n]o civil action for infringement of the copyright in any United States work shall be instituted until . . . registration of the copyright claim has been made," 17 U.S.C. § 411(a)—does not tie the precondition for suit to the date of infringement, *cf. Hallstrom*, 493 U.S. at 27, and could not be clearer or more straightforward. *See id.* at 26 ("The language of this provision could not be clearer."); *see also* Dodson, *supra*, at 13 ("The word 'shall,' though not dispositive as to a jurisdictional characterization, normally does create a mandatory obligation.").

Accordingly, *amici* respectfully submit that the language and purpose of § 411(a) point inexorably to the conclusion that the registration requirement is mandatory, inflexible, and emphatic—whether jurisdictional or not.

II. THE CLASS SETTLEMENT IN THIS CASE SHOULD BE UPHELD.

Whether properly characterized as "jurisdictional" or simply mandatory, the registration requirement merits vigilant enforcement. Vigilant enforcement, however, is in no sense inconsistent with permitting the compromise and *release*, as part of a class action settlement, of claims of unregistered copyright holders. If the registration requirement is mandatory but not jurisdictional, the premise of the Court of Appeals' decision is untenable and the judgment should be reversed for that reason. Even if the registration requirement is characterized as jurisdictional, however, the requirement is not a prerequisite to the court's power to approve the

parties' release of claims as one element of a global resolution of outstanding issues.[7]

A. The Power Of Release Is Distinct From The Power To Adjudicate.

The distinction between the power to adjudicate and the power to release was made clear in *Matsushita Electric Industrial Co. v. Epstein*, 516 U.S. 367 (1996). The issue there was whether a Delaware state court class action settlement encompassing claims committed to the exclusive jurisdiction of the federal courts could effectively bar class members from later litigating those same claims in federal court. *See id.* at 369-72. The Court held first that a Delaware court, applying Delaware claim preclusion law, would have enforced the settlement. *See id.* at 378-79. It then concluded that nothing in *federal* law—including the provision

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[7] The Muchnick Respondents seem to agree that the District Court's power of release authorized it to approve a settlement of claims pertaining to unregistered works—even if the registration requirement is properly designated "jurisdictional." Br. for Muchnick Resp'ts 44. They urge, however, that the Court not resolve the case on that basis without first reaching the question whether § 411(a) is jurisdictional. *See id.* at 45-46. This plea appears to rest at least in part on the faulty premise that, if § 411(a) is ruled non-jurisdictional, plaintiffs could "use . . . the class-action device . . . to seek *adjudication* of unregistered copyright infringement claims." *Id.* at 46 (emphasis added). That is incorrect. As explained in Point I, *supra*, the registration requirement, even if not jurisdictional, is rigid and mandatory. It cannot be ignored or excused simply because the claims of unregistered copyright holders are asserted as part of a class action rather than individually. *Cf.* 28 U.S.C. § 2072(b) (providing that the Federal Rules of Civil Procedure "shall not abridge, enlarge or modify any substantive right").

committing the federal claims to the exclusive jurisdiction of the federal courts—prevented upholding the settlement under the Full Faith and Credit Act, 28 U.S.C. § 1738. *Matsushita*, 516 U.S. at 381-82. To the contrary, the Court explained, the background presumption under federal law is that a court has the power to release even those claims over which it lacks subject matter jurisdiction. Nothing in the grant of exclusive federal jurisdiction altered that presumption:

> While [the provision granting exclusive jurisdiction] prohibits state courts from adjudicating claims arising under the Exchange Act, it does not prohibit state courts from approving the release of Exchange Act claims in the settlement of suits over which they have properly exercised jurisdiction, *i.e.*, suits arising under state law or under federal law for which there is concurrent jurisdiction. . . . [T]he Delaware court never trespassed upon the exclusive territory of the federal courts, but merely approved the settlement of a common-law suit pursuant to state and nonexclusive federal law.

Id. (footnote omitted). Specifically addressing the objection that a court's approval of a settlement entails some level of evaluation of the claims to be released, the Court concluded that "such assessment does not amount to a judgment on the merits of the claims," and thus does not tread upon any *jurisdictional* rule. *Id.* at 382.

The reason that a release of claims—even when sanctioned and enforced by a court—neither depends on nor implicates the power to *adjudicate the merits* of those same claims is that the power of release is

predicated on the parties' agreement. *See Local No. 93, Int'l Ass'n of Firefighters v. City of Cleveland*, 478 U.S. 501, 522 (1986) ("[I]t is the agreement of the parties, rather than the force of the law upon which the complaint was originally based, that creates the obligations embodied in a consent decree."). At bottom, it is a matter of contract. Although there must of course be *some* jurisdictional basis for invoking the court's adjudicatory powers in the first place, *see Matsushita*, 516 U.S. at 383, that initial "hook" suffices to trigger the power to release claims not falling within the scope of the court's jurisdiction. *See generally* Judith Resnik, *Procedure as Contract*, 80 Notre Dame L. Rev. 593, 628 (2005) (referring to this phenomenon as a product of "the 'alchemy of settlement'").

The twin aspects of a court-sanctioned release—the jurisdictional hook on the one hand, and the parties' broad agreement to resolve the dispute on the other—were explored at some length in *Grimes v. Vitalink Communications Corp.*, 17 F.3d 1553 (3d Cir. 1994), a case that preceded *Matsushita* but that, like *Matsushita*, addressed whether a state court had the power to release claims concededly outside its subject matter jurisdiction. *See id.* at 1557. Rejecting the argument that the state court lacked such power, the panel observed that "the Delaware court did not purport to exercise any inherent power to release causes of action that it had no jurisdiction to entertain," but instead "only acted to enter a settlement agreement that was initiated, negotiated, and adopted by the parties to a lawsuit that was properly before it." *Id.* The Third Circuit acknowledged that a court-sanctioned release, unlike a release agreed to before any lawsuit could get

underway, "is not simply a contract entered into by private parties, but is one that has been given a stamp of approval by the court." *Id.* Nonetheless, in the panel's view, the only requirement that wrinkle entailed was that the court have "jurisdiction over the parties and the subject matter of the lawsuit"—not over every single claim subject to the release. *Id.* "While this rule of law may seem anomalous at first glance," the court explained, "it is widely recognized that courts without jurisdiction to hear certain claims have the power to release those claims as part of a judgment." *Id.* at 1563.

That statement of the law is unimpeachable. The Second Circuit itself, though professing in its decision to know of no support for the proposition that courts may release claims that they would lack jurisdiction to resolve on the merits, *see* Pet. App. 14a n.2, 24a n.7, has on at least two occasions embraced exactly that principle. In *Abramson v. Pennwood Investment Corp.*, 392 F.2d 759 (2d Cir. 1968), the court held that a state court's release of a claim committed to the exclusive jurisdiction of the federal courts was entitled to preclusive effect in a federal suit asserting that same claim, because "[a]lthough the state court could not adjudicate the federal claim, it was within its powers over the corporation and the parties to approve the release of that claim as a condition of settlement of the state action." *Id.* at 762. Then, in *TBK Partners, Ltd. v. Western Union Corp.*, 675 F.2d 456 (2d Cir. 1982), the court applied the same rationale to uphold a *federal* settlement of claims purportedly committed to the exclusive jurisdiction of the *state* courts. *See id.* at 460; *see also Matsushita*, 516 U.S. at 382 (citing both *Abramson* and *TBK Partners* as cases

embracing rule *Matsushita* itself embraced); *In re Prudential Ins. Co. of Am. Sales Practice Litig.*, 261 F.3d 355, 366 (3d Cir. 2001) (citing *TBK Partners* for proposition that "[i]t is now settled that a judgment pursuant to a class settlement can bar later claims based on the allegations underlying the claims in the settled class action . . . even though the precluded claim was not presented, and could not have been presented, in the class action itself").[8]

B. Upholding Exercise Of The Release Power Is Particularly Appropriate Here Because This Case Presents No Question Of The Relationship Between State And Federal Courts.

The cases described above involved either federal court enforcement of the release of federal claims in settlements approved by state courts (*Matsushita*, *Grimes*, and *Abramson*) or the release of state claims

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[8] Many of the cases that recognize district courts' power to release claims outside their subject matter jurisdiction state that the released claims must be based on the same "factual predicate as that underlying the claims in the settled class action." *TBK Partners*, 675 F.2d at 460; *see also, e.g., In re Prudential Ins. Co.*, 261 F.3d at 366 (observing that the release power extends to state law "claims over which [the federal court] has no subject matter jurisdiction if the state claims arise from the same nucleus of operative facts as the claims properly before it"); *Nottingham Partners v. Trans-Lux Corp.*, 925 F.2d 29, 33-34 (1st Cir. 1991). That requirement, if it is one, is satisfied here. The claims of unregistered copyright holders are based on the exact same factual underpinning as the claims of all other plaintiffs—the electronic reproduction of written works. *See N.Y. Times Co. v. Tasini*, 533 U.S. 483, 491-93, 499-500 (2001); Pet. App. 4a.

in a settlement approved by a federal court (*TBK Partners*).

TBK Partners was in an important sense a less complex case than *Matsushita*, *Grimes*, and *Abramson*: as noted, unlike those cases, *TBK Partners* presented the question of a *federal* court's power to release state claims, rather than enforcement of a state court's release of federal claims. The additional layer of analysis under the Full Faith and Credit Act thus was not implicated. *Cf. Grimes*, 17 F.3d at 1563-64 (noting that the rule permitting courts to release claims outside their jurisdiction is not "*limited* to federal courts entering judgments that release state claims that they would not have jurisdictional competency to entertain in the first instance," but also extends to state court releases of federal claims (emphasis added)).

And the instant case is even less complex than *TBK Partners*. Here, the issue is not whether one court has the power to release claims carefully and concededly committed to the jurisdiction of another within our federal system (an issue that necessarily raises sensitive comity concerns), but rather whether a *federal* court can release claims that all agree are committed to the exclusive jurisdiction of the *federal* courts but that lack an essential ingredient. That the District Court here had power to release the claims of unregistered copyright holders follows *a fortiori* from the long and unbroken line of precedents discussed above.

The conclusion that the release power was properly extended to the claims of unregistered copyright holders also follows from another important decision in this area, *Williams v. General*

Electric Capital Auto Lease, Inc., 159 F.3d 266 (7th Cir. 1998). The question in *Williams* was whether a federal district court in Illinois could enjoin pursuit in the Middle District of Florida of federal claims that had been settled in the Illinois action. *See id.* at 268. The problem was that the settled claims arguably had not been ripe, by Article III standards, at the time the settlement was entered. *Id.* at 273. Although the court suggested that the case might be difficult if the class members whose apparently unripe claims had been released by the settlement had lacked *standing* at the time of the settlement, it had no difficulty concluding that the Illinois court had the power to release the unripe claims. *See id.* at 273-74. This was so even though the released claims "were non-justiciable in the 'case or controversy' sense." *Id.* at 274.

Here, there is no question that a "case or controversy" exists as to each and every class member. *See* Pet. App. 41a (Walker, J., dissenting). The only issue is whether the supposed *statutory* "jurisdictional" bar operated to strip the District Court of its ability to approve the contract the parties had made. If, as the *Williams* court held, Article III itself poses no obstacle to the release power (except, possibly, where constitutional standing is at issue), neither does § 411(a). *See Class Plaintiffs v. City of Seattle*, 955 F.2d 1268, 1287-89 (9th Cir. 1992) (holding that district court not only had power to release state law claims over which it arguably lacked jurisdiction but could release claims against a party that was not even named as a defendant in the action).

C. The Court Of Appeals' Decision Misapprehends The Nature And Contours Of The Release Power.

In concluding that a district court may not release claims that it would lack power to adjudicate, the Court of Appeals' decision ignored all of the authorities discussed above. Instead, the decision rested its undoing of the parties' agreement on three cases which say no more than that district courts cannot *adjudicate* (or agree to adjudicate) class claims that fail to satisfy certain statutory prerequisites to suit. *See* Pet. App. 22a-24a (discussing *Zahn v. International Paper Co.*, 414 U.S. 291 (1973), *Weinberger v. Salfi*, 422 U.S. 749 (1975), and *Califano v. Yamaski*, 442 U.S. 682 (1979)).

The first case relied upon, *Zahn*, upheld a district court's determination not to certify as a class action a suit brought on behalf of individuals whose claims were valued at lower than the jurisdictionally mandated amount in controversy. *See Zahn*, 414 U.S. at 291.[9] *Weinberger* and *Califano*, for their part, both involved defendants' challenges to judgments awarding relief to class members whose claims did not satisfy the administrative exhaustion requirement of the Social Security Act. *See Weinberger*, 422 U.S. at 774; *Califano*, 442 U.S. at 701. None of these cases bears on the question whether a court may approve a *release* of claims the parties have agreed to *settle*. All bear instead on the

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[9] Notably, in the case at bar, the *parties* agreed to a class definition. The District Court was never asked to, and never did, adjudicate the proper bounds of the class over any party's objection. *See* Pet. App. 6a-8a.

boundaries of the adjudicatory power, which this Court and others (including the Second Circuit) have confirmed in no uncertain terms is unrelated to the power of release.

The Court of Appeals' only effort to grapple with the distinction between jurisdiction and release in this case appears in a footnote near the end of the majority opinion. *See* Pet. App. 24a n.7. That footnote, *amici* respectfully submit, exposes the depth of the decision's confusion on the issue presented. It begins by citing *Amchem Products, Inc. v. Windsor*, 521 U.S. 591 (1997), for the proposition that "the class action device cannot be used to enlarge the jurisdiction of the federal courts." Pet. App. 24a n.7. But *Amchem* expressly declined to resolve whether a district court could release claims of class members who concededly lacked constitutional standing—an Article III requirement running to the very heart of federal courts' jurisdiction—at the time the settlement was entered. *See Amchem*, 521 U.S. at 612-13. Thus, far from supporting the notion that a district court cannot release claims over which statutory "jurisdiction" is lacking, *Amchem* leaves open the possibility that the release power extends even to those claims over which Article III jurisdiction is lacking. *See Williams*, 159 F.3d at 274 ("[N]othing in the Supreme Court's *Amchem* decision suggested that the federal courts lacked the Article III power to settle future claims of class members." (emphasis omitted)).

To make matters worse, the Court of Appeals appended to its inapposite citation to *Amchem* the suggestion that, despite the reversal on jurisdictional grounds here, a district court might nevertheless in

the future release "claims that may not be ripe because the issue in such cases is standing, not jurisdiction." Pet. App. 24a n.7. This gets the law exactly backwards: as *Amchem* itself confirms, if there is any doubt about the extent of the release power, it pertains to a court's ability to release claims of class members with no "standing"—*not* claims over which subject matter jurisdiction is lacking for non-Article III-related reasons.

D. This Case Powerfully Illustrates The Adverse Effects Of Failing To Adhere To The Release Rule.

The rule that a district court, as part of a broad settlement and resolution of issues, can approve the release of claims outside its subject matter jurisdiction is not just a technical one rooted in theoretical distinctions between adjudication and contract. It has powerful policy underpinnings. And the adverse effects the rule is intended to avert are, unfortunately, starkly illustrated here.

The policy behind permitting courts to release not just the claims over which they have subject matter jurisdiction but also related claims they would lack power to adjudicate is to promote finality and avoid unnecessary litigation. "This rule of law serves the important policy interest of judicial economy by permitting parties to enter into comprehensive settlements that 'prevent relitigation of settled questions at the core of a class action.'" *Grimes*, 17 F.3d at 1563 (quoting *TBK Partners*, 675 F.2d at 460); *see also Williams*, 159 F.3d at 274 ("It is not at all uncommon for settlements to include a global release of all claims past, present, and future, that the parties might have brought against each

other."). That policy has particular force in the class action context. Broad class action settlements are necessary because defendants would otherwise face "nearly limitless liability from related lawsuits in jurisdictions throughout the country," and thus have no incentive to enter into settlements at all. *Wal-Mart Stores, Inc. v. Visa U.S.A. Inc.*, 396 F.3d 96, 106 (2d Cir. 2005); *cf.* Br. for Pet'rs 3.

The Court of Appeals' approach, by contrast, flouts the finality concern and promotes endless litigation over the same legal issues. If, as the court below held, any settlement of this action can properly encompass only those claims brought by authors with registered copyrights, then, of course, Petitioners are barred from reaching any court-sanctioned agreement with copyright holders who have yet to register their copyrights.[10] This disability—which, notably, cannot be squared with the expectation of global settlement expressed by this Court in the *Tasini* case, *see Tasini*, 533 U.S. at 505—leaves publishers exposed to new actions (even class actions), based on the identical factual predicate underlying this action, every time an author who falls within the agreed-upon class definition registers her copyright.

As a practical matter, the prospect of such litigation will ensure that publishers' electronic archives—portions of which had been shut down in response to this litigation—remain closed to the

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[10] Out-of-court releases presumably could be entered, but, even if otherwise possible, would have to be agreed to on an individual basis, without the benefit of the class settlement mechanisms.

public. Without a final agreement from all authors, and especially those with unregistered copyrights, the risk of litigation effectively precludes opening the archives. The practical necessity of closing significant portions of the archives benefits no one—not the publishers, not the authors, and certainly not the public. *Cf. Tasini*, 533 U.S. at 520-22 (Stevens, J., dissenting) (highlighting the harm to the public, to posterity, and to authors themselves if the global settlement the majority thought possible could not be reached).

This result not only is anathema to the policies underlying the release rule and class action settlements more broadly, but also carries a certain perversity. As this Court has emphasized, the nation's copyright laws are "intended to increase and not to impede the harvest of knowledge." *Harper & Row Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 545 (1985). In upsetting the carefully negotiated, complex settlement between writers and publishers (including database providers), the Court of Appeals' decision not only does violence to established principles of settlement and release, but also needlessly impedes the "harvest of knowledge" and the broad dissemination of information that our copyright framework is crafted to foster.

CONCLUSION

The judgment of the United States Court of Appeals for the Second Circuit should be reversed.

Respectfully submitted,

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